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ALFONSIN, ENTOURAGE TO LEAVE ON FOREIGN TOUR

PY152309 Buenos Aires BUENOS AIRES HERALD in English 15 Jan 85 p 7

[Text] (NA-DYN) -- President Raul Alfonsin and an entourage of some 60 people will be leaving next Monday morning for an extended tour of several countries. Alfonsin will be visiting Kenya, India, and Greece, and is to hold talks with at least six Asian, African, and European presidents or heads of state. The president also plans to talk with Olof Palme, the Swedish prime minister, President Miguel de la Madrid Hurtado of Mexico, and Julius Nyerere of Tanzania. They will discuss international nuclear disarmament and the East-West dialogue. Alfonsin will also be meeting Indian Prime Minister Rajiv Gandhi, with whom he will later participate in the Group of Six talks in New Delhi and Athens. After leaving Buenos Aires the presidential plane stops in Recife, Brazil, before heading for Nairobi. The next day the party will arrive in Delhi and Alfonsin will remain in India from January 23 to 29. From India Alfonsin travels to Athens for the second stage of the Group of Six meetings after which a joint declaration by the six presidents will be made public. The presidential party is due back in Buenos Aires on February 1.

CORDOBA CGT TO STRIKE; POSTAL STRIKE CONTINUES

PY152253 Buenos Aires BUENOS AIRES HERALD in English 15 Jan 85 p 2

[Text] Cordoba (NA) -- The whole of Cordoba Province is expected to be paralyzed by a 14-hour strike today called by the local branch of the General Labour Confederation (CGT) to protest against what it described as the anguishing reality faced by workers. Efforts by the local government to head off the stoppage failed when CGT leaders refused to attend a meeting at Government House to which they were invited by Radical Governor Eduardo Angeloz. The CGT leaders said it was too late to review the strike decision adopted early last Saturday. Workers were urged to down tools at 10 am and rally at the corner of General Paz and Colon for a march on Government House where a statement will be delivered to Angeloz.

In Buenos Aires, the secretary-general of the postal workers union, Ramon Baldassini, said the government had no replies to the wage demands of the postal workers who would therefore continue their more-than-three-week-old working to rules movement. Baldassini made the announcement after a meeting with government officials, adding "we have had no reply to the problems we originally posed."

On the government's proposal to engage private firms to distribute the tons of mail held up at the post offices by the working to rules, Baldassini said there were more than 50,000 sacks of undelivered letters held up throughout the country and it would be impossible for private firms to distribute them.

Meanwhile, the CGT executive board, which was to meet yesterday to study the government's wage policies and President Raul Alfonsin's social agreement proposal, postponed the meeting until today to await the government's announcement on wage adjustments for January.

Police Disperse CGT Strikers

PY161650 Buenos Aires BUENOS AIRES HERALD in English 16 Jan 85 p 1

[Text] (NA-DYN) -- Police yesterday used tear gas grenades and high-pressure water hoses to disperse 10,000 workers who marched on the Cordoba Government House just hours before national Unified CGT leaders met to discuss workers' conflicts and the wage hikes announced by the government last Monday.

In a statement issued last night the CGT said the wage hikes are "discriminatory, confusing and insufficient" and expressed its "total solidarity" with the Cordoba workers who staged yesterday's march and 14-hour strike. The CGT's four national secretaries-general -- Saul Ubaldini, Jorge Triaca, Ramon Baldassini and Osvaldo Borda -- were also appointed during the meeting to represent the CGT on the socio-economic advisory committee announced last week by President Raul Alfonsin. Ubaldini said the CGT would sign the pact agreement presented to socio-economic contract participants last week by Alfonsin if the government gives in to its demands on trades union laws, workers social benefit fund, and collective and work contracts. The statement also expressed the CGT's "total support" for the ongoing work-to-rule measures by postal clerks and the six-week-old strike by sugar workers in Las Palmas, Chaco. The CGT criticized the government for using rhetoric that does not allow a "clear interpretation" of the recent round of wage hikes -- a six percent adjustment for December inflation and a 14 percent hike in January.

In Cordoba, two rival CGT factions and an independent union grouping organized yesterday's strike and march which shut down industrial, bank, transport and commercial activities. Using tear gas and water hoses, police dispersed over 2,000 of the protesters who remained outside Government House after shots were fired into the air and workers began throwing rocks and hard objects at Angeloz' offices. Though police said the shots came from within the crowd, other reports said the police had fired their weapons. The crowd became violent when unionists returned from a meeting with Angeloz to say that the governor's promises of creating a provincial labour ministry and beginning provincial contract talks were satisfactory. Shouting "The People are Hungry" -- apparently at the unionists -- part of the crowd began throwing objects and tried to force their way into Government House before being turned back by police. A favourite chant during the march was "Cordoba is Moving for Another 29th" -- a reference to the May 29, 1969 uprising known as the Cordobazo which marked the fall of military President Juan Carlos Ongania.

JUSTICIALIST MEETING ENDS IN DEADLOCK

PY161700 Buenos Aires BUENOS AIRES HERALD in English 16 Jan 85 p 7

[Excerpt] (NA-DYN) -- A conciliatory court hearing between dissident Justicialists and the party's national council ended in a deadlock yesterday although both sides appeared willing to overcome their differences and seek party unity. The council represented, by its First Vice-President Jose Maria Vernet, offered to reconvene the party congress held last month and which elected the current council in order that both sides could thrash out their differences.

San Luis Senator Oraldo Britos, representing the dissidents who walked out of the congress objecting to what they described as the undemocratic methods employed, said the proposal was not satisfactory but would be submitted to the Group of 48 which heads the dissident faction. He said he was only empowered to again question the methods employed in the congress and to stress the need of achieving party unity by means of an internal democratic system which would ensure the participation of all Justicialist sectors.

The 90-minute hearing was held in the chambers of Electoral Judge Juan Fegoli after the dissidents went to court to question the validity of the congress and asked the judge to declare the election of the council null and void. The two sides agreed to a further hearing once the dissidents have adopted a decision on Vernet's proposal but meanwhile the dissidents went ahead with preparations for a separate congress they propose to hold in Santiago del Estero on February 2. Vernet had earlier said the council would not recognize the validity of the dissident congress.

ARMED FORCES OFFICIALS DISCUSS THWARTED COUP

Defense Minister's Comments

PY171839 La Paz Cadena Panamericana in Spanish 1700 GMT 17 Jan 85

[Excerpts] Defense Minister Colonel Manuel Cardenas Mallo, retired, is taking appropriate steps at the Interior Ministry for the prosecution of General Ernesto Guzman Fricke, retired, who has published a proclamation in some Bolivian dailies. The former officer has published this kind of article before, the defense minister told Radio Panamericana, and the retired Air Force general will now have to face the courts because of his latest paid advertisement.

Defense Minister Manuel Cardenas Mallo told Radio Panamericana that the Armed Forces are carrying out their normal activities. The minister stated that the military situation is completely normal after yesterday's coup attempt.

[Begin Cardenas recording] Military units on active service have, in fact, reported to the military high command that officers now in retirement have tried to contact them to incite them to commit acts of (?sedition) within the Armed Forces. These attempts were rejected and were reported in Santa Cruz, Cochabamba, and other districts. I regret I am unable to give their names because I do not want to undermine the national security work being undertaken by the Interior Ministry. None of them come under military jurisdiction, they are persons [words indistinct]. [end recording]

Commander in Chief's Remarks

PY171927 La Paz Cadena Panamericana in Spanish 1700 GMT 17 Jan 85

[Excerpts] The Armed Forces respect the Constitution and back the democratic process of the country. This statement was made to Radio Panamericana by the commander of the Armed Forces when he was asked about the repercussions of the coup attempt disclosed by the Interior Ministry yesterday. The commander said former officers have apparently again knocked at the doors of the barracks, but they were thwarted by the honesty and professionalism of the military institution and its members.

General Simon Sejas Tordoya, commander in chief of the Armed Forces, added that there is no one under detention in the Armed Forces. Officers on active duty did not get involved in yesterday's coup attempt. Sejas Tordoya said that the Interior Ministry should deal with the ringleaders because they are no longer members of the military. The military institution was never involved in the frustrated coup d'etat which was disclosed by the Interior Ministry, Sejas Tordoya said.

SILES ORDERS COMPLIANCE WITH SALARY REGULATIONS

PY172023 La Paz Cadena Panamericana in Spanish 1700 GMT 17 Jan 85

[Excerpts] President Hernan Siles Zuazo has ordered compliance with an arbitration decision in favor of the factory workers. The legal norms must be complied with, the president said, according to what Labor Minister Gonzalo Guzman has told newsmen.

The factory workers' leader Felipe Tapia, who met this morning with various ministers and Bolivian Labor Federation leaders at Government Palace, has stated that several businessmen are complying with the payment order. He said that the industrialists in La Paz, Cochabamba, and Santa Cruz are paying salaries according to the latest government regulations.

Private business representatives and members of the National Industry Chamber also came to Government Palace for a dialogue with the president regarding the problem of the hostages at factories in La Paz and in the interior of the country. Shortly after noon they entered the Red Room to tell President Siles Zuazo about their concern over events. Before they entered for the meeting, we talked with National Industry Chamber President (Manuel Apajar), who said:

[Begin recording] There are still about 140 hostages held at 32 companies, and one of our main tasks is to free those hostages as soon as possible. The release of the hostages is the prerequisite in finding a solution. [end recording]

Radio Panamericana also asked him about the payment of salaries according to the latest government regulations. The National Industry Chamber president stated that no payments will be made. He denied that salaries had been paid at some factories in accordance with the latest government regulations.

PRA TO FIELD CANDIDATES IN JUNE ELECTIONS

PY151541 La Paz Cadena Panamericana in Spanish 1130 GMT 15 Jan 85

[Text] The Authentic Revolutionary Party [PRA] has decided to participate in the general elections scheduled for June. In a communique, the PRA Executive Board states that this decision was made after a meeting was held with Dr Walter Guevara Arze. However, the PRA failed to mention who will be nominated to run for president and vice president.

INFLATION RATE HITS 2,177 PERCENT IN 1984

PY161450 Madrid EFE in Spanish 1407 GMT 16 Jan 85

[Figures as received]

[Text] La Paz, 16 Jan (EFE) -- The National Statistics Institute has reported that the Consumer Price Index rose to 2,177 percent in 1984.

In 1983, the Consumer Price Index increased by 328.5 percent, and in 1982, by 289 percent.

The 1984 inflation rate peaked in the months of April, October, and December with percentages of 62.9, 59.1, and 60.8 respectively.

Sources of the Bolivian Private Businessmen Confederation have told EFE that real inflation in 1984 was higher than 3,000 percent.

SENATE PROPOSES SUSPENSION OF TALKS WITH CHILE

PY161305 La Paz Cadena Panamericana in Spanish 1130 GMT 16 Jan 85

[Excerpt] The lack of seriousness and interest shown by the Chilean Government in carrying out talks regarding Bolivia's landlocked situation has prompted the Senate to suggest that the executive branch suspend negotiations with the mentioned country. This decision is included in a Senate resolution unanimously approved yesterday.

BRIEFS

TIN PRODUCTION DOWN -- La Paz, 7 Jan (EFE) -- The 1984 tin output of the Mining Corporation of Bolivia (Comibol) has reached 12,000 tons, 7,000 tons below the targeted production level. In 1982, 15,450 tons were produced, and in 1983 the tin output reached 16,030 tons. [Excerpts] [Madrid EFE in Spanish 1451 GMT 7 Jan 85 PY]

PRESIDENT-ELECT NEVES HOLDS PRESS CONFERENCE

PY172031 Sao Paulo Radio Bandeirantes Network in Portuguese 1400 GMT 17 Jan 85

[Press conference held by President-elect Tancredo Neves from the Congress building in Brasilia -- live]

[Excerpts] [Question -- broadcast in progress] ...Will be necessary in that this task, this effort, must lead to practical measures that will give the Brazilian people the satisfaction of counting on government regulations that in turn will lead to the appropriate measures that will provide happiness for the people.

[Unidentified moderator] That was Barbosa Sobrinho, president of the Brazilian Press Association.

[Neves] At the start of our talk, I would like to try and outline that the great task of my government is to get the economy to grow again. This will lead to creating new jobs, improving wages and salaries, and better distributing the nation's wealth. This economic growth cannot have a solid base unless the inflationary process is reversed, the public sector is cleaned up, and external accounts are balanced.

I will now answer the first question, which has been asked by the illustrious Barbosa Sabrino: How can an inflation rate of 230 percent be made compatible with an economic growth process?

Not so very long ago, when I chatted with the country's media, I had the opportunity of explicitly, clearly, and objectively answering that question. I am going to allow myself to use those statements because they will be the perfect answer to Barbosa Sobrinho's question.

I said at that time that inflation has so many negative factors, especially for the poorer sectors of the population, that there is no need to discuss the fact that it has to be fought with rigor and persistence. Inflation has political, economic, and psychological factors. To fight it we must act simultaneously and in the same way in three sectors.

In the political sector we must persuade, through dialogue, the party leaderships and the various representatives of civilian society that all of us must fight inflation in order to overcome it. There is a distribution of the anti-inflationary policy costs that must be shared by everyone within his possibilities. It is not just that these costs should fall only on the shoulders of one determined social segment.

In the economic sector emphasis will be placed on the effort to improve the productivity of public expenditure, with a systematic fight against all types of waste and expenses for luxury. There will be a careful selection of priorities in the application of resources. Emphasis will be placed on those priorities that have quick returns. Manpower will be intensively used due to social reasons. There must be more control over the expansion of state activities, especially those that are not directly linked to the exclusive functions of public power. I know very well that these are the activities that have mostly influenced the increase in the public sector's deficit, which is not under the desired control being preached by the government.

Monetary and credit policies must be oriented to reduce the issuance of government bonds to the absolutely necessary amount. Credit should be allotted to the sectors that will contribute the most to creating jobs and profits.

Considering the so-called psychological factor, the success of the anti-inflationary policy calls for the government to show exemplary austerity and administrative efficiency to make the people trust the price-reducing measures. Any anti-inflation policy is doomed to fail if there is no credibility in the government, and this credibility will only be obtained through the austere, fair, democratic, firm and coherent behavior of government officials.

You ask which measures should be adopted envisaging the recovery of economic development and more employment. I answer: Recovery of development and an employment increase are actually indispensable priorities for overcoming the crisis, solving the problems that affect us, and above everything, for restoring our people's hope.

However, the success of any political or economic change is subject to previous conditions, without which the technical alternatives will be doomed to fail. I am referring to a political aspect that includes trust, credibility, and popular support. By ensuring that aspect and by reestablishing credibility, the situation will be straightened out, and then the technical alternatives will become indispensable.

That is why I will form a highly qualified and competent ministry. With the aid of this work group and based on the studies that will be completely concluded, the indispensable measures for the recovery of development and an increase in employment will be immediately implemented. What measures are these, you may ask? Well, despite the difficulties that hinder us and the greatest inflation ever in our history, there are conditions that allow us to foresee the possibility of economic recovery.

The cycle of great investments necessary for the construction of our infrastructure and for the satisfactory installment of supply capacity of basic inputs, capital goods, and [words indistinct], is practically over. Besides, we even have idle capacity in several industrial sectors. We will not need great investment if we guide the recovery toward the sectors which beside employing more labor will also meet the basic needs of the people regarding the supply of staples such as food, clothing, education, housing, health, and sanitation. The country has idle industrial capacity and some capacity for the growth of imports, which guarantees a production increase without inflationary pressure and without greatly affecting our foreign debt.

Also, I immediately intend to launch a public works program in the country, particularly in poor areas. These public works will envisage sanitation, urban improvements, and popular housing programs that will benefit the poorest classes. These public works will require a lot of employment and their financing will be by allotment of public expenses and by using the funds currently being used in luxury building or in unnecessary and mammoth projects of the government.

This program will also have the merit of being executed in a decentralized manner by the states and districts through [word indistinct] transference of resources. As soon as I am sworn in I also intend to adopt the following measures: Encourage the civil construction industry, especially the construction of inexpensive houses, which will contribute to creating jobs; support small and medium enterprises, which usually need labor, by increasing the availability of loans for these sectors; and grant firm support to the agricultural sector which is necessary to promote exports and employment, especially by aiding small and medium food producers.

The illustrious journalist also wonders how much time is necessary to achieve our country's financial and economic balance. It is very difficult to precisely predict what can be achieved in this regard.

What we can assert is that, as far as the government is concerned, all measures will be implemented strictly and in a timely manner so that we may really be able to achieve the Brazilian economy's equilibrium. It is true that Brazilian inflation is not only affected by internal causes; it is also affected by foreign causes beyond our control. However, whatever we can do to domestically neutralize the effects of foreign measures which worsen our inflationary process, will be done with greater decision and determination.

[Reporter] I am Audalio Dantas, president of the National Journalists Federation. Mr President, I am certain that the questions I will ask you convey the concern of the 25,000 Brazilian journalists, whose participation in the struggle for democracy, as we all know, resulted in the death of thousands, such as the case of journalist Vladimir Herzog in 1975. In their name, I want to ask Your Excellency two questions. The first refers to the Brazilian information law. All the authoritarian legal measures which restrict freedom of information and which were implemented during the past 20 years are still in force, including the 1979 decree-law that established prior censorship. Moreover, the Brazilian journalists and society as a whole wonder what measures Your Excellency has in mind regarding democratic communication policies since these democratic communication policies, when really democratic, not only concern journalists but also society as a whole and the democratic regime itself. What measures does your government intend to implement so that this policy is applied mainly in awarding radio and television channels, which are currently handled by the executive branch and which are at the service of certain groups and not the entire society?

[Neves] Mr Audalio Dantas, another promoter of the cause of freedom of our country, asks me two questions. One regards changes in the press law. This law is obviously inspired by a strong authoritarian spirit. We can immediately make some changes in the press law to democratize it. But I believe that only with the establishment of a national constituent assembly will we be able to really set definite parameters for a press law that will be in keeping with our traditions and, more so, with our culture. If the current law were really implemented we would humiliate and disgrace Brazilian culture.

His second question refers to the democratization of communications tools. The authoritarian spirit obviously prevails even more so in this field. We are aware that the awarding of radio and television channels followed exclusively political, partisan, and even personal criteria. My first idea, without having gone into much detail with the organizations interested in this policy, is the creation of a national communications council that will have true direct participation, not only in deciding who gets radio and television channels, but also in supervising their operation.

[Reporter] Castelo Branco from JORNAL DO BRASIL. I would like to know, Mr President, if you plan to maintain the same presidential advisory service during your administration and especially the National Intelligence Service? If so, do you plan to maintain the rank of minister which the chief of this service currently holds?

[Neves] I have the honor of answering the question posed to me by this outstanding journalist, Castelo Branco. [Word indistinct] in democratic regimes the contact with the chief of the nation has with the media is always maintained through previously agreed upon tools. The rapport which exists stems from the understanding between the government and journalists or the organizations which represent them. Nevertheless, I can assert that the relationship which I intend to maintain with the Brazilian media will by no means be inferior to that granted by the presidents of the most democratic countries of the world, such as France, Italy, England, and the United States.

Regarding the communications services, which are currently still very strict, we hope to implement a very efficient system in our contact with journalists and their organizations in order to always maintain a cordial understanding and professional relationship.

Regarding the National Intelligence Service, I must say that, in the first place, every country in the world has an intelligence service. There is no country that can do without it. The most efficient intelligence services are those in the socialist countries. No country that has reached the level and importance Brazil has reached in the world can do without an intelligence service. The problem arises when the intelligence services is not exercised, executed, and practiced in a democratic manner. Here in Brazil it has become a repressive organization which deeply humiliates and violates our democratic traditions. What we intend to do is to restore to it strictly military purposes and again turn it into an advisory and information tool for the government.

[Reporter] I am Charles (Domei) from LE MONDE. You have been elected by a coalition made up of opposing forces that range from liberal right to the left, and at the same time you want to make deep social reforms. I ask you the following: Which interests will you ignore with those reforms? And in that case, won't you run the risk of breaking up the coalition that has brought you to power?

[Neves] I believe your concern is legitimate. However, it is groundless. Of course we were elected by groups of forces which are very diverse from the ideological and political points of view. The other day I was riding in a taxi and the driver asked me if I was Tancredo Neves. I told him, yes, I am. He said: You are a devil, you managed to unite the Indian and the cardinal.

I actually believe that the heterogeneous forces supporting me are not a negative aspect of my candidacy but a positive one. I actually base my political authority and, mainly, my authority to command the process of change and transformations which the country demands, on the support of those different political sectors and thoughts.

We are not here to implement a program at the initiative or under the responsibility of the president of the Republic. We have assumed a commitment to our nation. This commitment is expressed in the document through which we created the Democratic Alliance. We assumed this commitment at the very moment the Alliance's candidate campaign was launched. I am in charge of the implementation of this program. It is a well balanced, carefully designed program prepared with sound political judgment, and it provides for all the reforms and changes the nation demands. We will introduce reforms at the institutional level, and we will introduce the socioeconomic changes the nation demands, including monetary, university, educational, and land reform, and all other reforms provided for by the program designed by the political sectors which support us.

[Reporter] (Sergio Grebe) Red Manchete Television. Mr President, what will be the guidelines you will follow for the renegotiation of our foreign debt?

[Neves] The foreign debt is being negotiated by the current government. Thus, the issue falls within its jurisdiction and responsibility. I hope the renegotiation will be concluded by the time I take over. Before that date, I am only entitled to ask for information on the renegotiations and to keep abreast of events. I have not received any official information on the issue. Once the negotiations have been concluded, the only thing I can do is honor our international obligations in keeping with century-old Brazilian tradition. Any international obligation that the new government cannot meet will have to be renegotiated following the principles of civilized coexistence.

[Reporter] (Leda Betoyez Gert), O ESTADO DE MINAS. Dr Tancredo, are you planning to create a defense ministry on the basis of the military ministries?

[Neves] Actually, the creation of a defense ministry is an old Brazilian aspiration. Former President Castelo Branco, whom we all recall, struggled for this goal. This issue of major concern, has however, remained unfulfilled. With the installation of a fully operational Armed Forces staff we have created, so to speak, the embryo, the foundation, the initial stage that will allow us to attain this goal. But I believe that our Armed Forces do not yet have the necessary technical and political skills for the immediate creation of a national security ministry.

[Reporter] Francisco Figueroa, EFE news agency, Spain. Your party has proposed that the new Brazilian Republic engage in the struggle for democracy in the southern Cone. I want to ask you what specific steps you will take in defense of the peoples struggling for freedom in the Americas.

[Neves] The progress of the struggle for democracy in the southern cone, thank God, is very advanced. There is now full democracy under a democratic regime in Argentina. Soon Uruguay is going to install its president-elect to head a fully democratic government. Where problems exist is in Chile. The position of the Brazilian Government's stand and that of the entire Brazilian nation is one of unswerving support of the democratic forces struggling in Chile to restore the free institutions. [applause]

[Announcer] President-elect Tancredo Neves is being applauded after stating the Brazilian position on the Chilean situation.

[Reporter] (Pedro de Pinto), O JORNAL, Portugal. It is usually said that whatever direction Brazil takes, Latin America follows. Do you think that Brazil, by returning to democracy, will be able to influence similar changes in the countries of the region?

[Neves] This is obvious. The various nations of South America influence each other due to their ties and interdependence. Brazil has a large territory and it borders almost all South American countries. Therefore, obviously anything done in our nation will influence the neighboring countries.

[Question indistinct]

[Neves] As I have already categorically stated, the development process of the northeastern region will be the main task undertaken by my administration the one that will have priority above everything else in my government. [applause] The northeastern region must be placed under a special category. We have undertaken a study of this Brazilian region with greater determination and interest. Moreover, Minas Gerais Governor [Helio Garcia] and myself have drafted a study of the present situation of the northeastern region and we have submitted it to the Superintendency for Development of the Northeast board for its study. This report is also being studied by the northeastern university and those organizations entrusted with carrying out programs aimed at achieving the development of the northeast.

In this study we have shown that in view of its complexity, the problems affecting the northeast demand extensive, overall measures. The drought, the lack of water, is not the greatest problem affecting the northeast. The greatest problem the northeast is confronting is that it has to ensure the well-being and welfare of all people living in the area and that they hold a dignified place in society. [applause] We have to value the man of the northeast and to do it we have to adopt a vast educational and social program, in addition to those well-known programs to combat the drought, to help our brethren in that area. [applause]

[Reporter] (Antonio Prieto), O Globo Network. Mr President-elect, you have said that your cabinet will be made using political criteria based on the different sectors that led you to the presidency, and on those commitments assumed within the Democratic Alliance. My question is: In view of the specific nature of the economic area and the present economic difficulties, will you act in keeping with these same political criteria to make up the economic team, or do you think that it will be better to seek a greater unity of ideals, unity of thought and criteria, to make up the economic team?

[Neves] It is obvious that the administrative policy to be enforced by my government cannot reflect the heterogeneous characteristics of those political forces that support me. We have assumed certain commitments regarding an economic program, but it can only be organized and implemented if we are able to organize a coherent, uniform, competent, and dynamic economic ministry.

I feel very happy at this stage, and I believe that by achieving a coherent economic administration I will be honoring those political forces that support me. None of the political forces, at any time, has imposed any demands on me regarding names or groups in the makeup of the economic team. Therefore, I do not have any commitments, either with my own party or with any of the other parties that support me, to put this or that person in this or that ministry. It is obvious that this freedom of action will allow me to appoint highly capable people, but if they are not identified with certain political ideals, it will always be a fiefdom, never a ministry.

If it is to be efficient, in addition to being competent, a ministry must be based on political ideals. Therefore, a ministry cannot be divorced from those political forces that express their opinion in Congress since it will have to govern with these forces. This will not be a government merely made up of the executive branch. It will be a democratic government that will have the participation of the legislative, judicial, and executive branches. This is how we shall organize a ministry, which will be unable to operate without a political basis. Only by recruiting the best, the more capable, and efficient people shall we be able to achieve the goals and commitments we have assumed with the nation.

[Reporter] (Walter Mack) from GAZETA MERCANTIL. Mr President, the bases of the social pact that you have proposed to the National Confederation of Industry Workers have not yet been clearly established. The broad spectrum of interlocutors in the social sectors will make it difficult for your government to attain a social truce that should grant some political elbow room during 6 to 9 months and that should allow you to begin your government program. Do you intend to negotiate a pact by summoning sectorial organizations? Does Congress have enough representativity to arrange a pact? Under which terms does your government intend to establish the reciprocity conditions when dealing with businessmen, workers, state-run enterprises, and federal and state public servants?

[Neves] We were not the first to raise the social pact issue. A social pact is really vital for a democracy. Our electoral victory has been nothing but a great political pact. We had to work out this pact and through it we obtained the Electoral College majority. The political pact will remain in force. The constituent assembly will be a great national pact that will establish the definitive structure of our political and socioeconomic system. What we want to do is to agree on a basic social pact with the business and labor sectors in order that we may fight inflation with more possibilities of success.

This is not a Brazilian invention. It has had great success in Felipe Gonzalez' Spain. Also, Argentine President Raul Alfonsin is sponsoring a debate on his proposed social pact aimed at improving the economic situation of his people, in the hope that the pact will bring the expected positive results for the Argentine people.

This is the approach that we will use when dealing with any disagreements between the government and businessmen, between the government and the workers, between employers and workers. We will no longer demand any sacrifice from workers. We will no longer demand any sacrifice from workers, and this must be permanently [words indistinct] [applause]. because workers can make no more sacrifices. They have even reduced their food consumption level because the maintenance of the Brazilian sociopolitical order over the last 20 years has rested on their shoulders. However, the government needs a common denominator to enact the measures that may facilitate the fight against inflation, or at least mitigate its effects because it is impossible to eliminate it. If we attain this objective, we will be helping primarily the working class. [applause]

[Reporter] Ariel Reixdira, O GLOBO. The nation has recently witnessed an antifederal "show" that has at times become a display of humiliation. Governors have come to the federal administration to beg for funds they need for operating their state administrations. How urgently do you think we need a constitutional amendment to return administrative, and in some cases political, autonomy to states and districts?

[Neves] Beyond doubt, the financial situation of the states and districts is very serious. I can attest to it because I was governor of my own state for almost 2 years. This situation was caused by the distortions that the centralization of power has brought over the last years, and it has affected our national organizations.

Deprived of their main revenues, states and districts have found themselves in a critical situation when trying to discharge their duties. There can be only one solution to this problem: A tax reform that should really promote a more just distribution of national income. Not a tax reform with the mere objective of raising tax collection levels, but a tax reform based also on social objectives in order that we may improve the distribution of national income with a more just and humane approach.

[Unidentified reporter] Mr President-elect, regarding the foreign debt, the Brazilian Democratic Movement Party has stated that a moratorium would be declared if our creditors resorted to intolerable pressure or if Brazilian sovereignty would be threatened. Do you agree with this position?

[Neves] I have categorically stated that I am against a unilaterally declared moratorium since it will not resolve any of the financial problems plaguing Brazil. A moratorium will mean an abrupt suspension of our payments of our creditors which will mean a fatal shock for our economy. Our reserves are not sufficient to afford such a violent action. What we have to do is to ensure the import of the resources we need. We have to insure our oil imports, and fortunately the crisis we are confronting today in this regard is less acute than we had to confront 2 years ago. We have to insure a minimum level of economic stability so that our country may achieve development.

If we suspend our payments to our creditors, we shall be only creating critical economic conditions. To the degree which we are unable to meet our payments we shall be subjected to problems, confiscations, and seizure of our property abroad. [Words indistinct] to support the theory of adopting a unilateral moratorium. I do not see the need for adopting this decision. What we need to do is to pay what we owe. It is a commitment involving the honor of the nation. To say that Brazil is not a serious nation is a slander, an insult, and an aggression since there is no other nation in the world as serious as Brazil [words indistinct] honoring its financial commitments. On the contrary, there have been instances in which we have been the victims of aggressions enforced by other capitalist countries against our economy. [applause]

Therefore, what we must really do is to promote negotiations. It is on the basis of understanding that we shall be able to overcome our difficulties, but never through drastic or harsh measures. We have everything in our favor to promote these negotiations. But in our negotiations with our creditors we cannot accept arbitrary clauses, or even worse, clauses that violate our nation's sovereignty. [applause] We owe our creditors money; money is paid back with money. But money is not paid back with hunger, misery, and unemployment at the expense of our citizens. [applause]

[Unidentified reporter] One of the commitments you made to the people concerns the restoration of free labor unions and the right to strike. Does this commitment also encompass the end of unions appointed through the Labor Ministry which controls them through union taxes and which in so doing allows puppets of radical minorities to run their activities? Following the example of other Western democracies, will Brazil implement freedom for union activities?

[Neves] This is undoubtedly our objective and our commitment. We promote the complete freedom of union activities, which means to put an end to interventions, to the arbitrary removal of union leaders or the forceful withdrawal of these leaders from their duties, particularly the violent suppression of [word indistinct] unions.

What we would really like to see is that Brazilian unions [word indistinct] new stage. This would be the stage of complete union autonomy ranging from the legally established free union organization to the full exercise of union rights. But regarding the union tax, I do not believe that unions are really moved by [words indistinct]. Perhaps what has to be done is to study more democratic proceedings, either through the union tax or any other means, which will allow unions to improve their financial conditions by increasingly depending on aid at the state level or by the Labor Ministry. [as heard]

[Unidentified reporter] Some of the most mentioned words in Brazil today are: foreign debt, to export is the solution, expansion of the monetary base, and inflation. The foreign debt causes inflation; the expansion of the monetary base is the cause and consequence of inflation; today's overly diversified subsidized Brazilian exports undermine the domestic consumer market and promote inflation. Yesterday, after being elected as new Brazilian president, you noted that you would struggle against inflation every day but not at the expense of Brazil's development. Sir, do you believe that by uniting such different national factions you will also be able to unite such conflicting and hostile groups?

[Neves] All the words you have mentioned can indeed be summarized through one word: inflation. Because it is true that it is inflation that generates indebtedness; inflation generates public deficits; inflation generates unemployment; inflation compels us to export at the expense of the Brazilian people, which has such detrimental effects.

But I believe that we need to implement greater austerity at the government level in Brazil in order that we may be able to truly struggle against inflation at its roots. To do this we have to undertake a restructuring of the national financial sector. This undertaking must be implemented (?at all levels). Our policy should be that of ending all those so-called pharaonic works. But fortunately all the pharaonic works that are presently being carried out and that were the cause of great financial burden are either finished or about to be completed.

We Brazilians have made large sacrifices to carry out these great undertakings; it is time to stop building these [words indistinct] monuments and to turn our heads and patriotically try to improve the living conditions of human beings; to look after their stomachs, their nutrition, their clothing, their education, their health, their housing [words indistinct].

This is the objective of our government: It is not our goal to carry out monumental undertakings but to carry out an undertaking that will make Brazilians pay their taxes, to trust their fatherland and their government.

[Unidentified reporter] Sir, are you planning to call direct elections at the municipal level in 1985?

[Neves] My thoughts are along this line, but it is obvious that this is not a decision that is the exclusive domain of the president. I believe that Congress is already in the final stages of voting on the constitutional amendments (?calling) for direct elections at the municipal level. Consequently, this problem is not [words indistinct] of the president but that of the Congress and we will comply with congressional decisions.

[Reporter] I am (Alver Pereira) of O Globo Television Network. Some political parties, such as the Workers Party and the Democratic Labor Party, are clearly assuming an opposition stance regarding your government. They question the legitimacy of the Electoral College and demand direct elections as soon as possible. I would like to know whether you are concerned about their pressure, whether their demands will in some way affect the implementation of your government program?

[Neves] Not at all. I think that an opposition is quite normal within democratic life. I would not like to change the (?course), which would be harmful for the government and for the nation. We want an opposition and we want that opposition to have all the characteristics of a democratic opposition, that is, we want a clear opposition, a strict opposition, but a highly responsible opposition.

[Reporter] Luis Pereira of JORNAL DO BRASIL. How do you intend to approach some of the development projects of the 1964 revolution such as the national alcohol production program, the Brazilian-FRG nuclear program, the hydroelectric program, and the Carajas project? How do you expect the Petrobras program to become self-sufficient in oil production?

[Neves] Let us go bit by bit. The alcohol program has proven successful. Nobody doubts that we have found an important tool for our economic development in the alcohol production program. To solve the problem we will have to rationalize the alcohol production program in order to prevent the areas allocated for food production from being used to produce sugarcane, and this to the detriment of the Brazilian nutrition program. From my point of view, this is the alcohol production program's defect. I am not concerned over excess production since there will always be foreign markets ready to absorb our alcohol surplus.

Regarding the nuclear agreement with the FRG, we have already said and we reiterate that we intend to maintain it but it needs to be revised, to be strictly revised not only to provide it, from the technical point of view, with better conditions for the development of nuclear technology, but primarily with terms that will be compatible with our financial situation and that will give us power. To promote the expansion and development of technology in this field will not be carried out to the detriment of the national economy. In sum, we cannot ignore the scientific achievements regarding the atom. We must follow all the phases of the nuclear process because it represents a new field in the world and Brazil cannot remain apart from these technological achievements. However, I believe that the most rational solution to the nuclear agreement signed with the FRG will be to maintain it, carrying out those revisions that our scientific and technical community recommend.

Regarding the energy field, we have in fact achieved great advances. Brazil has constructed the largest hydroelectric power plant, that is, Itaipu, as well as the third largest hydroelectric power plant in the world, which is being constructed in the northeast.

A lot of other power plants are under construction, and they are about 28, if I remember correctly. The government should not start any other program as long as these plants are not finished. It must promote the construction of these power plants in order to finish them, and no other new work should be started as long as these power plants are not finished and producing energy.

[Unidentified reporter] Mr President, there is a constant American intervention attempt in Central America. Regarding your foreign policy, what position will Brazil adopt if American intervention does, in fact, take place?

[Neves] We will maintain the same policy Itamaraty has pursued thus far. We endorse nonintervention and we will use all the means at our disposal and within our possibilities to fully ensure the sovereignty of the Central American nations.

[Reporter] I am Roberto Miller, from GAZETA MERCANTIL. You have stated that foreign debt agreements with foreign countries will be maintained as long as our national sovereignty is respected. Do you intend that the foreign debt issue regarding sovereignty be decided by Congress? In other words, do you intend to pass this issue to Congress at any given stage of the negotiations?

[Neves] I have made no decision regarding this matter. However, I believe that Congress cannot and should not ignore such a complex problem. If national interests require that these matters be decided with the speed that they demand, it does not mean that Congress will not have to hear them; if Congress is not informed before, well, it will be informed after the negotiations.

[Reporter] I am Flavio Carvalho from EXCELSIOR of Mexico. Returning to the foreign debt issue, the current government is conducting the foreign debt negotiations in a technical-bureaucratic, or technical-financial aspect. I ask you, how do you intend to face the political aspect of the foreign debt? By joining other debtor countries such as Mexico or Argentina, or by conducting political negotiations with the governments of the creditor countries?

[Neves] Well, regarding foreign countries, their behavior should be ruled by their own economic and financial reality. You who live in Mexico can closely follow President De la Madrid's bilateral negotiations, despite the fact that in principle he endorses collective negotiations together with the debtor countries. The same is happening with Argentina, which is negotiating bilaterally, as well as Brazil.

However, we should recognize that the Cartagena and Mar del Plata meetings represent a victory which laid down the principles in which we actually created a community of debtor countries that will be able to act jointly, at a certain moment, when facing the common points of their indebtedness. I believe that this is a developing process that tends to consolidate itself. [applause]

[Reporter] (Humberto Guianini) from the Italian press agency ANSA. Mr President, in view of the possibility that Brazil cannot meet its international commitments, what position will your government adopt if a Latin American bloc is created to deal with the foreign debt?

[Neves] If we were not able to meet the commitments made by Brazil, a possibility that I consider quite remote because our potential is really impressive, the only thing left is renegotiation. In other words, to honestly say to the creditors that we are not able to pay and that we can only do it under certain conditions, to submit to the creditors certain conditions and based on these conditions to really begin long negotiations.

It is not in the interest of Brazil to create panic in the international monetary system. Since we support that possibility, we have to find the formula to emerge from the difficulties. As far as Latin America understanding is concerned, I believe that [passage indistinct] to really allow us to create guidelines compatible with the possibility of each nation to pay without obstructing the process of economic development.

(Armando Sobral Rollenberger) from ISTO E magazine. Mr Neves, there is great expectation about the liberalization of the legislation that regulates the formation and operation of political parties. Even though this is a problem that must be decided within the legislative branch, what is your opinion?

[Neves] The party reform must precede the constituent assembly. The underground parties must be legalized by the 1986 elections. The problem of political party reform should really be studied and resolved in 1985. I cannot see calling for a constituent assembly without having this area perfectly adjusted to the democratic aspirations of the country. Our political party law is extremely bureaucratic, too formal and unrealistic. It should really be made more flexible so that political parties can organize without major problems and [words indistinct].

Some of the issues for the reorganization of political parties in Brazil will be included in the executive branch proposals to Congress. I have no doubt that the Congress, which experiences the problem more directly, will make its contribution so that better solutions in accordance with the national interests are found.

Regarding party and electoral reforms, we, the opposition, have long conducted a struggle. We have always opposed taking party loyalty to extreme points. However, we have always favored party alliances. There is the serious problem of the electoral district system. I cannot accept a constituent assembly being summoned under the electoral district system; this is incomprehensible to me.

These are serious political problems that have to be studied by Congress when the occasion arises.

We believe that party and electoral reforms should be solved before summoning a national constituent assembly so that this constituent assembly will be able to truly represent all classes.

As for recognizing the clandestine political parties, as I have said and I repeat, it is a constitutional reform problem, with congressional jurisdiction, which has to be handled at the proper moment. Then the congressional decision will certainly be obeyed by the entire country.

[Reporter] I am Jackson Diehl from THE WASHINGTON POST. When you visit Washington, or when you make your first contact with the U.S. Government, what will be the main issues you will discuss?

[Neves] Envisaging my visit to Washington, a meeting with President Reagan and a visit to Congress are being scheduled. My visit to Congress should be understood as a courtesy visit, a mere formality. It does not involve the setting forth of any political, economic, or social problem of Brazil. During my discussions with President Reagan, I will draw a picture of our national reality and what we are striving for, and the cooperation that our government (?expects) to receive from our friend, the United States.

[Reporter] [Name indistinct] CLARIN, Buenos Aires. Mr President, could you outline the priority areas of your government's foreign policy?

[Neves] Our policy will in the first place take into account our national greatness. Our foreign policy is designed on the basis of concentric circles. Our first priority area is the Americas, followed by the European nations, and then by the Middle East nations.

With regard to the policy to be implemented by our government in our continent, it will be one that will always further, using all possible means, all those measures and initiatives conducive to the increased integration of our nations.

With regard to the United States, as far as foreign policy is concerned, our relations today (?follow a very definite course). We do not have any political problems with the United States, but we do have economic problems with the United States, since it has been severely damaging our economy through its interest rate policies, which is one of the causes for the worsening of inflation in our country and, in the second place, through its protectionist policy, which is truly iniquitous. Even though Brazilian participation in U.S. foreign trade is insignificant -- it accounts for less than 2 percent of the total volume -- the northern nation has unjustifiably imposed protectionist measures on our steel, our leather products, and on our textiles. However, the United States remains our main economic partner. Fifty percent of our \$12 billion 1984 trade surplus has been produced by U.S. purchases.

Concerning our policy in Europe, we have traditionally promoted cordial and effective links, trying not only to acquire its technology, science and culture, but also to obtain new markets for our products.

We have a special relationship with African nations, with which we even have common language links. This has made those nations particularly receptive to us and has allowed Brazil to make a significant contribution to the solution of African and Western problems.

We see the South African situation as an extremely painful problem, because apartheid has been universally condemned by the Christian conscience of all nations. [applause] And no nation is so strongly opposed to apartheid as Brazil. As for the conflict between South Africa and Namibia, the Brazilian position is well known. We uphold Namibia's full sovereign rights and we maintain that Namibia must be governed by its own inhabitants, by its own children.

Regarding Asia, our problems are actually more complex. We have exceptional relations with Japan, one of our best economic partners, and we are expanding the basis of our understanding with the PRC. We also have very good market and trade prospects in other countries.

In sum, Brazil has pragmatic foreign policy, or better still, it has an objective policy. Above everything, we uphold the basic principles of our foreign policy, the struggle for peace, self-determination, and nonintervention in the lives of all the peoples in the world.

[Reporter] (Yuriy Besalpkov) from TASS. Mr Neves, you have received the message from Chernenko congratulating you on your election as president of Brazil and best wishes for your administration.

Mr President, next April will be the 40th anniversary of the establishment of diplomatic relations between Brazil and the Soviet Union and also the 40th anniversary of the victory of the Allied Forces over Nazi Germany. As you know, Brazil and the Soviet Union fought together against Nazi fascism. This year is also the 40th anniversary of the foundation of the United Nations, and Brazil and the Soviet Union are among its founding members. Mr President, based on these three important historic events, how do you see prospects for relations between Brazil and the Soviet Union in your government?

[Neves] I find that these are significant events. Itamaraty, through its appropriate organizations, must take all the necessary initiatives to celebrate these events in a dignified manner. I have particular interest in these events because I credit myself with the responsibility and initiative of having promoted the establishment of relations between Brazil and Soviet Union during my administration as prime minister when we were really able to reestablish democratic understanding. Our goals now are the same as on that occasion: to maintain a more closely united humanity for the objectives of peace and to advocate the principle of nonintervention of the more powerful foreign powers in the more fragile and less militarized foreign powers.

NEVES TO LEAVE FOR FOREIGN TOUR 24 JANUARY

PY180322 Brasilia Domestic Service in Portuguese 2200 GMT 17 Jan 85

[Text] President-elect Tancredo Neves will undertake a 15-day tour abroad on 24 January. He will depart from Rio de Janeiro for Rome where he will meet with Pope John Paul II, Italian President Sandro Pertini, and the Italian prime minister.

Later Tancredo Neves will visit Portugal where he will meet with the Portuguese president and Prime Minister Mario Soares. From Portugal he will leave for the United States where he will meet with President Ronald Reagan and Vice President George Bush. Then he will go to Mexico where he will meet with President Miguel de la Madrid, and then to Argentina where he will meet with President Alfonsin.

The trip, (?announced) today by the Brazilian Foreign Ministry, will end on 7 February.

GOVERNMENT, OPPOSITION PARTIES PROBLEMS VIEWED

PY161445 Buenos Aires Domestic Service in Spanish 2300 GMT 15 Jan 85

[Report by Constanza Pena]

[Text] The latest press measures adopted by the Chilean military regime, which in addition to maintaining the closure of five magazines and [words indistinct] intervened the [word indistinct] mass media, form part of [words indistinct] Polish-style blow aimed at the reconcentration of the total power that the Chilean regime assumed after the military coup and which the opposition movement had managed to diminish through the political and social pressure exerted on the government over the past years. Seemingly, the government has already decided to extend the state of siege and to maintain all the security measures enforced in (?Santiago) in order to secure what the authorities have dubbed as the positive change attained under the state of siege. The regime is also discussing a political strategy to stay in office until 1989 and the bases necessary to guarantee the continuity of its system of government.

One of the Chilean regime's greatest concerns in guaranteeing the successful outcome of this plan is to resolve the economic problems, which tend to deepen as a result of some existing difficulties, in order to obtain the foreign funds necessary for the 1985 fiscal year. The main problem is that the amount of these funds is such that the Chilean regime needs to count on the assistance of the U.S. Government, which could take advantage of this need and pressure the regime into holding talks with the democratic opposition. The other encumbrance, the strictly political problems, appear to be [word indistinct] by the regime's strategists, who reportedly believe that the maintenance of the existing exceptional measures will suffice to throttle and silence the opposition movement.

Judging from the present situation, it would seem that the regime was right in its assertions. The Democratic Alliance is confronting the most serious crisis since its foundation to such a point that the Christian Democracy has refused to assume the presidency of the opposition coalition in keeping with the rotating system until a solution is found to the substantial problems that caused the AD's current situation. The crisis is so serious that the possibility of the AD's dissolution is not being ruled out. Certain groups are reportedly working already on formulas to overcome it. Some of its centrist members will reportedly propose a new coalition of sectors to that end [word indistinct] the various sectors opposing the regime. In turn, two sectors within the AD, which are leaning to the left, are reportedly studying the idea of forming a multiparty [words indistinct]. A decisionmaking period is also under way in the Popular Democratic Movement [MDP]. The Communist Party is getting ready to make an assessment of the new political conditions and its own future in January. Almeyda's Socialist Party is apparently faced with a strong controversy among its members and its more radically politicized sectors which are reportedly advocating the formation of a broad socialist front. For its part, the Socialist Bloc is considering its own situation. The problems arising in the heart of the AD and the MDP will undoubtedly have a bearing on the final resolutions of this group. According to the reports, everything tends to predict that the Socialist Bloc will adopt a more autonomous stand toward the AD and the MDP unless satisfactory political solutions to the AD problems are found and the proposal made by [word indistinct] materialize.

Given this picture, it remains to be known what the social organizations, like the National Workers Command, the Student Federation of Chile, and the multiunion group will do vis-a-vis the social crisis, the military intervention of the trade unions, and the lack of satisfactory response on the part of the regime to the social demands. [passage indistinct]

AD'S LAGOS ON U.S. CONGRESSMEN'S VISIT

PY180331 Buenos Aires Domestic Service in Spanish 2300 GMT 17 Jan 85

[Report by Constanza Pena]

[Excerpts] The U.S. Government, the Department of State, and the U.S. Congress have been closely and cautiously observing the Chilean situation for some time. Obviously, this attitude is due to the political changes recorded in the southern part of the continent over the past year. A delegation of nine U.S. congressmen has been touring various South American countries for the past week to view their political situations and has finally arrived in Chile. The U.S. congressmen met with Interior Minister Sergio Onofre Jarpa. At the end of the meeting, Representative from Pennsylvania Peter Kostmayer made important statements to the Chilean press. However, the National Social Communications Directorate prevented his remarks from being published by the local press. At noon today the U.S. legislators met with Socialist Bloc authorities and they later had lunch with Democratic Alliance [AD] members. [Former AD president] Ricardo Lagos reported that the purpose of the legislators' meeting with the AD was to conclude the round of talks with various national sectors. We exchanged views, Lagos said, and the legislators told us that they expected the Reagan administration to adopt a clear stand on the continuous human rights violations in Chile. The U.S. congressmen also stated that a positive indication of the Chilean Government's willingness [to resolve the problem] would be the lifting of the state of siege to prevent the danger of extreme reactions. The possibility of a polarization of the Chilean situation was the visitors' greatest concern, said Lagos. In conclusion, Ricardo Lagos said that the U.S. legislators had shown a disposition toward a favorable definition of the Reagan administration's policies toward Chile in the U.S. Congress.

GOVERNMENT DECIDES TO LIFT SOME BANISHMENTS

PY161810 Santiago Domestic Service in Spanish 1630 GMT 16 Jan 85

[Excerpts] For the sake of harmony and tranquillity, the government has decided to lift banishment sanctions that have been applied to some persons. The announcement has been made by Colonel Carlos Krumm, acting government secretary general, during a talk with journalists at the La Moneda Palace. He reasserted that the situation in the country is completely normal, although some minor and inconsequential explosions have taken place. He confirmed the attack on the Auco Supermarket on 6320 (Esande) Street, in the neighborhood of San Miguel.

[Begin Krumm recording] The country is now calm and normal. There were some explosions last night, but they caused no injuries or damages. There was also an attack on the Auco Supermarket by six youths, who only managed to steal 10,000 pesos. The police are now trying to find them. But the country is truly enjoying total tranquillity. [end recording]

As for the number of persons who have benefited from the measure lifting banishment, Col Krumm said that he did not know the exact number, and that the measure might be in line with a government policy to promote coexistence among Chileans.

[Begin Krumm recording] I do not know the number of persons whose banishment has been lifted, but the measure was taken in view that the country is calm and that the government is pursuing its objective to promote harmony and tranquillity among Chileans. [end recording]

Asked about the suspension of the curfew or the state of siege, the colonel indicated that a decision will be considered at a later date.

INDIAN AMBASSADOR ON DE LA MADRID'S INDIA TRIP

FL162012 Mexico City NOTIMEX in Spanish 1807 GMT 16 Jan 85

[Text] Mexico City, 16 Jan (NOTIMEX) -- Indian Ambassador to Mexico Narendrakumar Jain has said the visit by Mexican President Miguel de la Madrid to New Delhi is a crucial mission for disarmament because it comes at an important time for the Third World.

The diplomat said that at the summit meeting on 29 January in New Delhi, five continents will be represented by six presidents, two of whom are from Latin America. He said the presidents of Mexico and Argentina can be considered the most important representatives of their region in matters of foreign policy. They are the ones who will issue an urgent call for nuclear disarmament and they will be listened to, respected, and supported because they represent the voice of the developing countries.

Referring to bilateral relations between Mexico and India, the ambassador said both countries agree on their foreign policies because they have worked in coordination and have cooperated closely in support of the UN and other international organizations to seek world peace.

He said the nonaligned nations, of which India is president, have consistently supported efforts by Mexico and the Contadora Group for peace and stability in Central America without foreign interference. Finally, he said that what is going to be discussed in New Delhi will be a very significant and constructive contribution in matters of nuclear disarmament.

BETTER RELATIONS WITH CEMA COUNTRIES ADVISED

PA170404 Mexico City EL NACIONAL in Spanish 14 Jan 85 p 2

[Text] In their analysis of Mexico's international policy, the Senate Foreign Relations Committee recommended broadening and strengthening economic relations with the CEMA countries. The committee stressed that the CEMA countries, whose most important bloc is located in Eastern Europe, offer ample opportunities for cooperation and trade with Mexico.

So far, and based on respect for political plurality and diverse forms of organization, Mexico has tried to set up cooperation arrangements with CEMA countries. These plans include, among others, trade and agricultural, industrial, technological, financial, and scientific cooperation. According to the committee, however, these relations are still at a minimum level. For this reason, their growth requires considering the potential of the CEMA countries.

Finally, the committee pointed out the great importance of increasing and diversifying Mexico's international economic relations.

TUNA EXPORTS TO U.S. WILL NOT BE RESUMED

PA161733 Mexico City UNOMASUNO in Spanish 12 Jan 85 p 8

[[By Hermenegildo Olguin]

[Excerpt] Guadalajara, Jalisco, 11 Jan - Fisheries Secretary Pedro Ojeda Paullada asserted here today that tuna exports to the United States will not be resumed as long as that country "does not respect our sovereignty," since this comes before mere commercial interests.

Further on, Ojeda Paullada noted that our tuna fleet is the second leading such fleet in the world, and he asserted that despite criticisms to the contrary, it does function. According to him, we even "lack markets for the tuna." He added that in 1984 production totaled 84,000 tons, of which 14,000 tons were exported and the rest went for domestic consumption.

PETROCHEMICALS TO BE PURCHASED FROM SPAIN

FL162222 Mexico City NOTIMEX in Spanish 2055 GMT 16 Jan 85

[Text] Mexico City, 16 Jan (NOTIMEX) -- Mexico will purchase lubricants and petrochemical products from Spain, in accordance with an agreement signed by PEMEX and Spain's National Institute of Hydrocarbons. According to the document, signed by PEMEX Director General Mario Ramon Beteta and the director of the National Institute of Hydrocarbons, Claudio Boada, Spain will supply Mexico with petrochemicals of which it is in short supply.

Before the document was signed, both officials agreed on the need to maintain and strengthen relations on petroleum matters between the two nations. Spain is the second largest consumer of Mexican crude, buying 200,000 barrels per day, and PEMEX is the major partner in the Spanish petroleum company, Petronor. The signing of the new agreement, therefore, will strengthen relations between Spain and Mexico.

GUIDELINES ISSUED ON USE OF BANK RESOURCES

PA171318 Mexico City EL UNIVERSAL in Spanish 12 Jan 85 pp 1, 14

[By Enrique Aranda]

[Excerpts] In the 1985-1988 period, the resources of the nationalized banks will be channeled in a priority manner toward dealing with the problems in the food, housing, collective transportation, and urban services sectors. In a complementary manner and in support of the public expenditures, they will finance the health and social security areas. Bank credits and operations will contribute to reorienting industry, reorganizing rural activities, rationalizing transportation, and modernizing the country's commercial structure. In granting loans in the future, the bank institutions must consider such criteria as the effects of the project to be financed on meeting social demands, its capacity to increase jobs, and its promotion of a better distribution of income.

Yesterday the Finance and Public Credit Secretariat [SHCP] issued the General Policy Guidelines for Financial Intermediation that will be in effect in the 1985-1988 period. It establishes the guidelines that will regulate the activity of the commercial and development banks, the development funds and trusts, and the nonbanking financial intermediaries with regard to the channeling of economic resources in support of development programs. According to the SHCP document, the guidelines were adopted on the basis of macroeconomic perspectives for the 1985-1988 period that in the international sphere point to a period of economic growth and less inflation.

Regarding the strategies for financing social development, the document established in a detailed manner essential criteria with regard to employment and distribution of income, education, culture, recreation, sports, health, social security, food and nutrition, housing, urban development, and ecology.

Within the framework of the social policy, the strategy will give special attention to the creation of jobs, the protection of the purchasing power of wages, and the satisfaction of basic needs.

In order to defend the purchasing power of wages, the document added that bank financing will integrally consider the phases of production, processing, marketing, and distribution of mass consumer goods. It will grant credits for construction.

In the area of food and nutrition, it specified that the society's increasing demand for food and the insufficient national production have led to considerable importation of grains and milk products. Food sufficiency, it adds, requires a greater channeling of real financial resources to that sector. In this sense, it stressed that the commercial and development banks in the 1985-1988 period will substantially increase, in accordance with the available resources, the credits to that sector so that by the end of the period, they will be 7 percent of the total credits allocated. The document stated that a financial program for the food sector will be established and institutionalized so as to implement, among other measures, the rationalization of interest rates, followup and permanent evaluation mechanisms, and more suitable credit instruments. The document established that the nationalized banks will channel resources to the food producers that the National Food Program indicates have priority. Regarding agricultural production, the soft loans will be preferentially granted to farmers located in seasonal cultivation districts and in irrigation districts that due to their character merit such loans.

Regarding the housing sector, it specifies that during the 1985-1988 period, between 3.1 and 3.4 percent of the credit portfolio of the banking system will be allocated to the housing sector. It adds that the housing programs that are in line with the regional policy of the National Program for Housing Development will have priority.

LEFTIST PARTIES BREAK OFF UNIFICATION TALKS

PA162119 Mexico City EXCELSIOR in Spanish 12 Jan 85 p 4 A

[From "Political Fronts" column by Guillermo C. Zetina]

[Text] To the satisfaction of both the Institutional Revolutionary Party [PRI] and the National Action Party [PAN], the leftist organizations and parties yesterday broke off their talks about a possible unification for the federal elections slated for next July. Party interests were cited as the reason for not achieving unification, as well as other problems connected with legal registration. Representatives of the Unified Socialist Party of Mexico [PSUM], the Peoples Socialist Party [PPS], the Socialist Workers Party [PST], Socialist Trend, and Independent Peasant Unity had been participating in these talks for months.

Representatives of other parties that will participate in the elections for federal deputies the first Sunday in July have indicated that the suspension of the talks will especially benefit the PRI and the PAN, as they will receive more votes. It has been learned that the break occurred because the PSUM held secret talks with members of the Revolutionary Workers Party and the Socialist Labor Party, which are regarded as traditional opponents of both the PPS and the PST.

EL DIA: U.S., PAN CARRYING OUT INTERVENTION PLANS

PA171258 Mexico City EL DIA in Spanish 12 Jan 85 p 5

[Article by Jose de Villa: "The Pincers Are Closing"]

[Text] The grave events which took place yesterday in Monclova, Coahuila, are part of a strategy which goes beyond the national level and is fully identified with an international scheme.

The stateless National Action Party, PAN, has not only participated in the scheme to carry out the U.S. Government's destabilizing actions against our country on ideological and communication levels, but it has also openly supported the anti-Castro guerrillas who operate in Mexico and disrupt public order.

The initial strategy has been outlined: 1) provoke police or military repression; 2) draw all the country's attention to the upcoming elections. In other words, a direct, physical, and violent confrontation is being sought to distract the people's attention from the economic problems and to allow the exploitation of the masses by large corporations through the well-known ruse of drawing all attention to the electoral process.

The CIA is in charge of the first phase, and the PAN only provides the "justification." Regarding the second phase, all the communications system of the Mexican private sector and the Catholic Church are exerting themselves. The PAN merely contributes in a small way. For example, yesterday PAN leaders Francisco Gonzalez Garza and Juan Jose Hinojosa and their colleagues from Saltillo and Monclova competed with the Business Coordinating Council and the Confederation of National Chambers of Commerce in Mexico City to see who would stir up the fire the most. Verbal excesses, threats, and warnings of violence increase by the day. Curiously enough, the PAN, the Catholic Church, and private sector leaders increasingly agree that all efforts should be directed at the elections.

While all this is taking place, the government sector is an idle bystander and fails to adopt measures that should have been adopted a long time ago. Three of these measures are particularly obvious: 1) rigorously apply, or at least apply, Article 130 of the Constitution; 2) cancel PAN's registration and begin prosecuting all its members who have committed acts of political subversion and related actions which are equally criminal; and 3) regulate the right to information, now more than ever, or at least enforce the fines decreed by the law on violation of Articles 6 and 7 of the Constitution. All these measures are included in our juridical framework; it is precisely the omission of their application which allows things to reach extremes which threaten the country's political stability.

The president of Mexico issued a statement 2 days ago, this time against the business sector's minority which seeks to divide our society. This and last week's statement, which referred to those who betray the homeland and the foreigners who believe it is easy to dominate this country, should serve as a warning to public officials and make them understand that where there is smoke there is fire, and that consequently appropriate action must be taken.

Our country, whose ideological and revolutionary basis is now endangered, our country, the strongest bastion between Latin America's freedom and the U.S. empire, is -- euphemisms aside -- in the Reagan administration's sights. Afflicted by an economic crisis, we are once again being threatened with another U.S. intervention. It will not be a military intervention, but it will be marked by the same, well-known violence. It will not be the traditional public intervention, but it will be the same one which led Allende to the grave and destroyed democracy in Chile. It will be the intervention that one can expect from a hegemonic power which cannot conceive the idea that a country can be free and decide its own destiny.

The pincers are closing. Let us assume our responsibility. Let us unite. Let us organize ourselves. Let us unmask those wearing a mask and remember that no one will do for us what we are not capable of doing ourselves to defend our sovereignty and historical goals.

BELIZEMUNICIPAL ELECTIONS TO BE HELD ON 27 JANUARY

PA170414 Paris AFP in Spanish 0233 GMT 17 Jan 85

[Text] Belize, 16 Jan (AFP) -- The new Belizean Government, headed by conservative leader Manuel Esquivel, has scheduled local elections for 27 January in the country's seven municipalities. Some 40,000 voters are expected at the polls on that date to elect a total of 49 councilmen and mayors in each of the 7 jurisdictions.

The municipal elections were to be held last 25 November, but because of the national elections, which ended with the triumph of the opposition, they were postponed and re-scheduled today by the government of Manuel Esquivel.

At present, the government's United Democratic Party controls four of the six municipal councils, while the opposition controls the remaining two. The local administration of Belize City, which holds elections every 3 years and has nine members, is also controlled by the government party.

A spokesman for the People's United Party, directed by former Prime Minister George Price, said that the new government has called municipal elections in order to consolidate the power it obtained in the legislative election of last 14 December, when it won 21 of the 28 seats in the Belizean parliament.

COSTA RICANICARAGUAN NOTE SEEN AS REJECTION OF ASYLUM CASE

PA171627 San Jose Radio Reloj in Spanish 1200 GMT 17 Jan 85

[Text] Nicaraguan Foreign Minister Miguel D'Escoto has reiterated to Costa Rican Foreign Minister Carlos Jose Gutierrez that Urbina Lara gave up his right to asylum. Once more, the Sandinist government reiterated, through a note that D'Escoto sent to Gutierrez, that Nicaraguan citizen Jose Manuel Urbina Lara has given up his right to the protection granted by Costa Rica.

D'Escoto's note completely ignores the request made by our Foreign Ministry to allow Urbina Lara to go to the Costa Rican Embassy in Managua or the nunciature to state, without any pressure, that he has decided to give up the asylum that Costa Rica granted him on 20 August 1984.

A few days ago, Urbina Lara's parents reiterated that their son did not give up this right and that he wants to state this publicly. However, he is not being allowed to do so because he is being kept in a security prison.

PVP EXPRESSES SOLIDARITY WITH NICARAGUA

PA180154 San Jose LA PRENSA LIBRE in Spanish 10 Jan 85 p 9

[Communique issued by the Popular Vanguard Party [PVP]; date, place not given]

[Text] Provocative acts against the Nicaraguan Government are reaching extraordinarily dangerous levels. The 24 December incident, which has prompted many fools to rant on and tin soldiers to beat war drums, is about to become the greatest object of ridicule in Costa Rican diplomacy. After taking the case to the OAS while others suggested invoking the Inter-American Reciprocal Assistance Treaty and bringing in Yankee soldiers, it is apparent that only lies have been stated. Student Urbina told the press: "I voluntarily renounce any steps being taken by the Costa Rican Embassy to grant me political asylum."

No prudent individual would believe that the Nicaraguan Government is interested in creating a conflict with Costa Rica over such an unimportant issue.

As the "refugee" scandal is subsiding, another much more dangerous one is emerging. In Barra del Colorado, where counterrevolutionaries have been operating for some time by sending in troops in launches and planes which have been able to even destroy the Nicaraguan port of San Juan del Norte, a new threatening incident, involving an unidentified group traveling in launches and the Civil Guard, has occurred. The incident took place at night and, according to a Public Security Ministry document, the opposing groups were separated by such distance that the guardsmen reported M-79 grenade shells could not reach them. Their report does not in any way identify the marauders. That is why the Security Council General Staff limited itself to commenting on "appearances" in its communique. However, the security minister dared to say that, in his opinion, the night marauders were "Sandinists." In a prior statement, the minister regretted the fact that his subordinates did not have equipment to sink the launches which approached the coastline. This statement was made by a minister of a government which has proclaimed its "neutrality!"

I must point out that the U.S. military attache participated in the General Staff meeting to analyze the situation. This happened in a country that claims to be independent!

Undoubtedly, these are completely artificial scandals which are part of the aggressive plans against the Sandinist revolution. All of these plans are engineered by the same U.S. Government forces that have led the more than 5-year-old conspiracy against the Nicaraguan people.

The direction in which the Costa Rican Government wants to take its Central American policy is dangerous for our people because it coincides with the directives of the U.S. State Department and the Pentagon to the point of servitude. Various events that are taking place simultaneously can help explain the foolish handling of these matters:

1. A new round of negotiations with the IMF has begun. It could be that the Costa Rican Government is seeking to win the prize which consists of a noose in exchange for irresponsible attacks against Nicaragua.
2. A VOA relay station has begun operating in our country as an act of aggression against Nicaragua. This destroyed all of Monge's demagoguery regarding his government's neutrality. This is the truth which they are trying to cover up behind the smokescreen of scandals and lies.
3. They tried to tarnish the inauguration of Daniel Ortega, who was elected president of the Republic of Nicaragua by the democratic will of its people.

We could mention other incidents that would help explain this behavior that threatens the highest interests of the Costa Rican people, who wish and need to live in peace with neighboring countries, but what has already been said should suffice.

It is urgent that we all unite to defend peace, respect the people's self-determination, and the genuine independence of our country. The Nicaraguan people are our brothers. Let us not allow the interests of the oligarchy and of U.S. imperialists to separate us.

[Signed] PVP Secretary General Humberto Vargas Carbonell

RECOPE SAYS PEMEX PAYMENT HELD UP BY CENTRAL BANK

PA170300 San Jose Radio Reloj in Spanish 1200 GMT 16 Jan 85

[Text] The Costa Rican Oil Refinery, Recope, has a \$13-million debt with Mexican Petroleum, PEMEX.

This debt has not been paid not because of a lack of money, but because the Central Bank does not have dollars at its disposal at this time. Recope has deposited 400 million colones in the Central Bank.

Recope spokesmen said the firm owes PEMEX for two shipments, which according to the San Jose agreement are within the limits of the oil supply allowed our country. Recope's pending payments to PEMEX are for 220,000 and 180,000 barrels which arrived in the country during the month of November. It has been reported that the agreement between the two countries allows these shipments to be made with a grace period, and the moment they are paid PEMEX will send two more shipments.

It has been stressed that payment of the total oil debt is in the hands of the Central bank, since Recope deposited the colones several weeks ago. Until the Central Bank's problem of a lack of dollars to cover the \$13 million owed PEMEX is solved, Recope is being supplied with oil by Venezuela and Curacao. A line of credit with Venezuela is being used for these supplies. This credit guarantees the supply of crude and finished products to our country, according to the San Jose agreement. The country's oil supply is guaranteed because Recope not only has this line of credit with Venezuela, but it has sufficient reserves of diesel, gasoline, and other petroleum by-products.

DEMONSTRATION TO PROTEST ECONOMIC POLICY ANNOUNCED

PA171635 San Jose Radio Reloj in Spanish 1200 GMT 17 Jan 85

[Text] Several labor organizations, community development associations, zonal unions [uniones zonales], and the national organizing committee have organized a demonstration to be held at the Central Plaza today. Orlando Solano, leader of the National Association of Public Employees, disclosed that today's activity, scheduled for 1700 [2300 GMT], is aimed at showing the government that the people reject its policy of increasing prices of staples, as well as charges for water and electricity, and bus fares.

Today's demonstration will mark the beginning of other movements that want the Monge government to put a halt to its policy that hurts the Costa Rican people's standard of living, Solano maintained. He said that the administration can no longer continue to run the country from the view of the IMF, because this benefits businessmen while the majority of the people are subjected to sacrifices.

In view of this situation, housewives, students, and workers are urged to participate in today's demonstration at the Central Plaza at 1700, Solano concluded.

EL SALVADOR

GUERRILLAS INTERRUPT TRAFFIC ON PAN-AMERICAN HIGHWAY

PA180032 San Salvador EL DIARIO DE HOY in Spanish 17 Jan 85 p 5

[Excerpt] Yesterday, a group of terrorists interrupted traffic along km 48 of the Pan-American Highway near Santo Domingo, San Vicente. According to available information, at 0430 near (Callejon El Diablo) approximately 40 subversives fired shots to stop the vehicles traveling from the east to San Salvador and vice versa, and then deflated their tires. Afterward, the terrorists stole the drivers' money and jewelry, and told them that they were stopped because "they disobeyed the order against the movement of vehicles from 15-20 January in order to destabilize the current administration."

When the rebel group learned that a 5th Brigade patrol, based in San Vicente, was approaching, it fled toward the northern part of the highway. The troops searched the area in pursuit of the group of bandits. It is not yet known if there were any clashes.

VENCEREMOS REPORTS ON RECENT FMLN ACTIONS

Attacks on Coffee, Cotton Growers

PA162046 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Jan 85

[Text] We have received several reports on the FMLN sabotage of Duarte's bankrupt war economy.

Attention: On 14 January, a guerrilla group of the Rafael Arce Zablah Brigade [BRAZ] sabotaged the coffee mill owned by Alfonso Flores, Eduardo Resinos, and Transito Olmedo because they were not paying the salary scale that the FMLN decreed for the current harvest. In total, we sabotaged 275 quintals of coffee belonging to these large landowners. We distributed this coffee among the people. These actions were carried out in Ojode Agua and San Antonio in Chinameca. This is the report we received at Radio Venceremos on more losses to the Duarte war economy.

Our army of workers also dealt blows to the economy of exploitation and war of rich cotton growers. Attention, on 14 January a BRAZ guerrilla unit sabotaged a trailer carrying cotton at the Constancia farm, Santa Maria jurisdiction. This cotton was owned by landowner Gregorio Zeleya who does not want to pay the FMLN wage scale.

Once again, we warn you rich cotton and coffee growers: You must pay just salaries to the workers or there will be no cotton or coffee for you!

We have received a report from the Coastal Highway indicating that on 14 January, BRAZ guerrilla units harassed enemy positions near El Brazo turnoff on the Coastal highway.

We have received another report. This time it comes from the Anastasio Aquino Paracentral Front. It indicates that at 1500 on Saturday, 12 January, forces of the FMLN's Luis Adalberto Diaz Detachment kept a stretch of the Pan-American Highway at a place known as the El Zapote and El Copinol turnoff under its control for 1 hour. Troops of the 5th Infantry Brigade went to the site of the incident and fighting ensued. The clash lasted 15 minutes and as a result we killed two soldiers and wounded an undetermined number of troops. This is the report sent from the companeros of the Luis Adalberto Diaz Detachment.

Attacks on Army Units

PA171749 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Jan 85

[Text] We have military reports from various places. We have a report here that indicates that at 1200 on Wednesday, 16 January, a guerrilla unit of the BRAZ attacked Morazan Battalion troops near Manguera canton, Guatajiagua jurisdiction in Morazan Department. Four soldiers were wounded. We have no casualties to report.

Another report indicates that on 15 January, a BRAZ guerrilla unit attacked positions of the enemy's Atonal Battalion near San Agustin, Usulután Department. We inflicted three casualties on the enemy, one soldier killed and two wounded. We had no casualties.

Another report was on an action carried out by a BRAZ guerrilla unit at 1100 on 15 January. This unit attacked an enemy patrol and inflicted one casualty on it. This occurred in El Amate canton, San Miguel Department. At 1330 on the same day, our guerrilla unit attacked enemy units in La Puerta canton, San Miguel Department. We were told that the enemy, in a desperate attempt, fired 60-mm mortars. The mortar shells hit areas where civilians live. One of these shells hit the Lasso family home killing one child and wounding two persons.

Our strategy to wear down the troops that defend the benefits of the rich's advancing. We inform our people that a count of casualties of the past 14 days, including the casualties inflicted in Morazan and other places in the country, as well as those inflicted in the destruction of enemy positions at the San Luis coffee mill, shows a total of 256 casualties, including both dead and wounded.

HONDURAS

ARMED FORCES CHIEF PRAISES PUBLIC SECURITY FORCE

PA171400 Tegucigalpa Televisora Hondurena in Spanish 0131 GMT 16 Jan 85

[Excerpts] During the commemoration of the 103d anniversary of the public security force [FUSEP] this morning in Tegucigalpa, Colonel Roberto Martinez Avila appealed to members of the various political parties to use their common sense to prevent violence because, in the event of a confrontation, the police would not just stand by. The FUSEP commander also said that the organization trains its personnel every day and added that the police force fights crime and watches over the people's health and security. Despite this effort, the police are the target of criticism in a plan to systematically harm the FUSEP.

General Walter Lopez Reyes, Armed Forces commander in chief, expressed his satisfaction with the efforts of the FUSEP members:

[Begin recording] We admit that some mistakes and outrages have been committed by several FUSEP members. These outrages, however, have been punished according to the law and regulations applicable in each case. The generalized accusation against all FUSEP members who have devoted themselves to the fulfillment of their duties can only originate from the criminals themselves, who are trying to destroy the nation's defenses against crime, terrorism, and everything condemned by law.

I have been observing these men's fulfillment of the mission that the Constitution and the Armed Forces statutes have entrusted to them. I am satisfied with their strict compliance with their duties for the homeland and their relentless struggle against crime and disorder, which can lead to anarchy. Your struggle becomes even more appreciated when we consider that you are struggling against a lack of understanding from extremist sectors and political and social ideologies that seek to place the Honduran people in a position that goes against their Christian faith, democratic system, and traditions, and trying to take away from us the peace we still enjoy.

You have faithfully grasped the Armed Forces' leading role and made this role your own in all of your actions. For this reason, I am satisfied and feel honored that I am your comrade. You and I share the same goals in our respective missions. Our mission is difficult, delicate, and not at all easy. At the same time, however, this mission is worthy because it demands greater sacrifice on our part to fulfill it for the well-being of our society. Bear in mind that laws are useful only when they serve a specific purpose. Only their enforcement can positively affect this purpose.

I hereby take this opportunity to reiterate to you the sincere gratitude of the commander in chief and the Armed Forces for your commendable determination to fully support the Armed Forces, both morally and economically, despite the nation's serious financial situation. You have rightfully interpreted the true, distressing situation that threatens the region. You have unwaveringly supported our demands related to national security, despite groundless attacks by national and foreign sectors of various ideologies.

PEREIRA TERMS PLI EXPULSION 'DIRTY TRICK'

PA171835 Managua Radio Sandino Network in Spanish 0000 GMT 17 Jan 85

[Text] Constantino Pereira has described his expulsion from the ranks of the Independent Liberal Party, PLI, on 15 January as a dirty trick. The former vice presidential candidate has told the ANN that the party's current board of directors, led by Virgilio Godoy, did not give him the chance to defend himself and so to this day, he does not know what were the charges against him.

He said: I am being expelled from the party because they do not want any man to represent the PLI's national dignity in the face of those who represent its indignity.

Pereira also accused Godoy of seeking to become the leader of the right-wing Democratic Coordinating Board. He stressed: We all know that imperialism is the leader of that political coalition.

Pereira is an alternate deputy to the National Assembly.

PLI'S VIRGILIO GODOY SAYS 'COUNTRY CRIPPLED'

PA172027 Managua LA PRENSA in Spanish 15 Jan 85 pp 1, 12

[Text] After stating that it is healthy to "take a few days off to rest," Virgilio Godoy Reyes, who recently returned from Mexico, said that he has seen very little or nothing new in domestic politics in the wake of the inauguration of the new president, the installation of the National Assembly, and the visit of Cuban President Fidel Castro.

"I read Daniel Ortega's speech carefully and found nothing new in it. It repeats what he always says, including his usual unkept promises," he said. He added: "If the ruling party has changed in any way it will have to prove it with actions."

On Fidel Castro's visit to Nicaragua, Godoy said that he returned home after the inauguration. "He is no longer coordinator of a junta, but president of a smaller junta," he said, adding that he knew little about Castro's visit here and his speech at the Victoria de Julio sugar mill. The speech did not get much coverage in the Mexican media. Msgr Vega's got more attention, he said. He added: I understand that Fidel Castro's visit to Nicaragua was unexpected and that he came to fill the breach left by the absence of Latin American heads of state, who customarily attend the inauguration of area presidents. I understand that in his speech at the mill Castro pardoned Nicaragua's debt.

On his participation in the National Assembly, at which a new pro-Sandinist deputy nominated a member of the PLI to that body's leadership, Godoy said that during his absence the PLI's permanent committee decided to disavow the credentials that empower PLI representatives to participate in the Assembly. "That includes me," he said.

The presence of the other PLI member at the Assembly is irrelevant, he said. I see no special value nor am I interested in being part of the leadership of the Assembly because of who runs it, he observed. If I am ever called to appear before the Assembly I will go to defend Nicaraguans' interest, not to attempt to have a share in that "clique," he noted.

Asked about the new constitution, he said that he will promote the drafting of a democratic constitution. "That will be the testing ground," he maintained. "I once heard a European leader say: What is written in a constitution makes no difference; what matters is how it is implemented.

However, you have not relinquished your purpose to defend Honduras, always trusting God and your strong democratic vocation, because you have fully understood our healthy purpose of uplifting our Armed Forces and save our fatherland's honor and future. You have shown a resolute will to serve Honduras and not waver in the face of difficulties confronted by the nation.

Fellow countrymen, FUSEP upholds the principles expressed in the Constitution, but requires the people's understanding and cooperation so that social peace and harmony can be maintained. When under the instructions of someone else, violence and terrorism appear to destabilize the democratic system we uphold, personal ambitions are factors that, either voluntarily or involuntarily, play along with those who advocate violence and can be taken advantage of by Marxist-Leninist conspirators to carry forward their plans of expansion. [end recording]

NICARAGUA

ORTEGA MEETS WITH LIBYAN ECONOMY MINISTER

PA180312 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 17 Jan 85

[Text] Daniel Ortega, Nicaraguan president and commander of the revolution, had a fraternal meeting with the delegation of the Socialist People's Libyan Arab Jamahiriyyah. President Ortega met with Musa Ahmad Abu Furaywah, Libyan minister of economy and light industries, who is heading the Libyan delegation that attended the inauguration ceremony.

Prior to this meeting, Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca and the Libyan minister signed a \$15-million trade agreement.

PSN WELCOMES RESUMPTION OF CHURCH-STATE TALKS

PA171610 Managua EL NUEVO DIARIO in Spanish 16 Jan 85 p 5

[Excerpts] Managua (ANN) -- The Nicaraguan Socialist Party (PSN) has interpreted the apparent breakthrough in church-state relations as a positive sign that will contribute to the establishment of a permanent dialogue to resolve differences patriotically.

PSN Secretary General Luis Sanchez Sancho stated that the participation of Msgr Pablo Antonio Vega, president of the Nicaraguan Episcopal Conference, in the inauguration of the new Nicaraguan president is an encouraging sign that indicates that the two sides can reach agreement.

"The move is a most welcome step; we hope that a spirit of understanding, so necessary at this time of national crisis resulting from the continued escalation of foreign military aggression and grave economic and social troubles, prevails in their dialogue," the Socialist leader said. However, he pointed out that the announcement made by the Episcopal Conference that it will apply sanctions against priests who serve in the Nicaraguan Government emerges as "a sharp contradiction that must be resolved favorably."

Sanchez said that his party believes in full separation of state and church based on mutual respect and that neither institution should interfere in matters outside its jurisdiction. He added that the church-state dialogue should continue until viable solutions that will contribute to the reestablishment of confidence and stability in Nicaragua are found. This is the sine qua non to advance against aggression and toward peace in Nicaragua, he said.

Church leaders and government representatives resumed talks on 24 December to seek solutions to their differences. To this effect they formed a bilateral commission that will discuss the points of conflict that have caused the deterioration of church-state relations.

It has been planned that the constitution will be democratic, guarantee widespread freedoms in the country, and establish a system of government that can answer for those guarantees -- not like now, when our judicial branch is constantly humiliated by sentences that are left abandoned in file cabinets while its officials simply turn their heads.

With regard to the national dialogue, Godoy said that PLI continues to be very interested in its progress, but not as interested as it was in the progress that the political parties summit made, which has remained in limbo. The national dialogue should be a very important forum for seeking a solution to this increasingly painful and serious situation.

Its success will depend on those in power, although the will of political parties to stop the horrible bloodshed that is taking place in this country and resolve its economic problems will be seen. The country is crippled, he said. Nicaragua is a country in a wheelchair, he concluded.

RIVERA ON USE OF 'ACTION POISON,' BOGOTA TALKS

PA180159 Paris AFP in Spanish 2038 GMT 17 Jan 85

[Text] San Jose, 17 Jan (AFP) -- Miskito leader Brooklyn Rivera charged today that Sandinists use "action poison," a chemical substance used by the Nicaraguan Armed Forces in its bombings. The substance produces intoxication, respiratory ailments, and a loss of memory.

Rivera indicated that Sandinists "resort to political and moral blackmail and speak of peace, while they unleash the most cruel attacks against the Indians." In addition, he reiterated that he will not talk with the government again, as long as the latter fails to promise to end its attacks against Nicaraguan Indians.

A new round of talks had been planned for next Saturday in Bogota, but Rivera stressed: "Thus far, the Sandinists have not answered our proposal." He added that the situation of Atlantic coast Indians worsened during the past few weeks.

Rivera also reiterated that the Sandinist government should let the Indians who fled to the mountains freely return to their settlements, authorize the Red Cross to give the Indians the necessary aid, and withdraw the Army from those Indian areas.

The anti-Sandinist leader regretted that Daniel Ortega's response has been "to refuse to acknowledge the human problem created by the Sandinists themselves with their atrocious repression."

MACHADO ADDRESSES CLOSING OF ECONOMIC MEETING

FL171538 Havana Television Service in Spanish 2330 GMT 16 Jan 85

[Speech by Jose Ramon Machado Ventura, Communist Party Politburo member, at a party meeting on economic efficiency, held at Havana's Palace of Conventions on 15 January -- recorded]

[Text] Comrade Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba; comrade party and government leaders; comrades: This meeting on the economic efficiency of budgeted activities is of singular importance within the framework of the strategic orientations for the economic and social development of the nation in coming years that were discussed in detail by Comrade Fidel Castro in his recent speeches closing the first national energy forum, the congress of the Federation of Intermediate Level Students, and the seventh session of the National Assembly of the People's Government.

One year ago, in this very place, we held a national meeting on the profitability of enterprises; today we can evaluate the significance of that meeting with greater precision because of the results obtained in 1984 in the field of economic efficiency by the productive sector. It was precisely during that meeting that, at the suggestion of Comrade Fidel, the first plans were made to hold a meeting on budgeted activities with the purpose of giving added impetus to the struggle to increase economic efficiency in budgeted activities inasmuch as the struggle to conserve and use resources efficiently concerns all of us equally, both those who work in production and those who work in the social services sector.

In addition, this meeting has a special meaning. The development of social services has received special attention by the revolution since its earliest years. Their growth has been so great that on basic indexes such as those of public health and education, our situation is comparable only to that of the developed nations. For example, the effort made in public health in the past few years makes it possible to predict that by the year 2000 we will rightly be able to call ourselves a world medical power. These advances, which can be achieved only when a deeply popular, socialist revolution achieves power, have created the necessary conditions to orient the country's maximum effort towards economic development to overcome the difficulties we now have with the availability of convertible currencies to accelerate the building of the physical base of socialism.

Under these conditions, the consistent improvement in social services that are financed under the budget is based on their constant increase in quality; the more rational use of available material, both human and financial resources; and the conservation of electricity, fuel, and all the materials used in providing the services. For this reason, this party meeting has acquired greater importance. After the 11 May 1984 accord was adopted by the Secretariat, preparations were made for analysis and debate in grass-roots organizations and intermediate-level party organs. In September, meetings were held in the party cells at the place-of-employment level, in polyclinics, schools, administrative offices, research centers, and so on. Later, meetings were held in units with budgeted activities, party municipal organs. And, finally, in November, the provincial meetings were held.

So you may have an idea of the extraordinary mass movement this process has unleashed within party ranks: 6,733 analysis meetings were held at the grass-roots level, with the participation of 67,052 party members. There were 1,167 meetings held in units with budgeted activities, with the participation of 44,889 members, and 151 meetings were held in the municipalities, with 15,810 members participating. There were 41 sectorial and provincial meetings held, with 6,981 comrades participating. A total of 8,092 meetings were held with the participation of 134,732 party members and candidate members attending.

The workers movement received the party's call with great energy and responsibility and held discussions with the workers of the budgeted activities units. In this way, the National Health Workers Union, the National Education, Science, and Sports Workers Union, and the National Public Administration Workers Union held a total of 1,135 assemblies of representatives with a total of 82,889 members participating.

The extraordinary number of suggestions, recommendations, and proposed measures that have come up during the entire process are invaluable to the work of the party at all levels and constitute a guide for the administrators of centers of employment, the local organs of the people's government, and the central organizations to follow in incorporating into their plans the policy of conservation, efficiency, and improvement in the quality of services provided or work done.

The suggestions provided by grass-roots organizations have been numerous and helpful in clarifying the role the party should play in drawing up and monitoring the budget and unitary norms for expenditures, and in requiring that expenditures be proportional to the required level of activity. In like fashion, the participation of workers and the Union of Young Communists in the discussion and study of these problems has made it possible to clarify the role they play in achieving greater efficiency in budgeted activities.

It must be stressed that the very act of participating by presenting their opinions on the planning, drawing up, and control of the budget, which had not been achieved until now, will play a positive role in the development of the economic education of our workers and the responsibility with which they act, even when dealing with unusual subjects that, in many cases, are unrelated to the work they do.

The best education in economics is that which comes from the profound analysis of existing problems, the recommendations for their solution, and the carrying out of the recommendations by each party member and worker in their daily work.

These meetings have made it possible for our grass-roots organizations to have increased participation and responsibility in matters concerning the effective control of the resources made available to each budgeted activity or unit, and have given them the possibility of requiring the adequate use of these resources. These meetings have also aided in the political-ideological education of the masses in the struggle to get each worker to save as much as possible.

The importance of increasing efficiency in the use of resources assigned to the budgeted activities area can be evaluated from the following data: Recurring expenditures of budgeted civil activities during the period 1981-1985 grew at an average annual rate of 7.4 percent; included herein is the 1985 budget. Total expenditures increased by nearly 1 billion pesos, of which wages represent nearly 450 million pesos, and the so-called other recurring expenditures consisting principally of goods and services account for more than 530 million pesos. In this period, wages grew at an average annual rate of 7.3 percent; the other recurring expenditures grew at an average annual rate of 7.5 percent.

We can get an idea of the advantages we could obtain from savings in this area if we consider, even as an example, the following: According to the budget approved for 1985, these expenditures total nearly 4 billion pesos. If we managed a 1 percent saving, this would be nearly 40 million pesos; that is 30 percent of the expenditures budgeted for science and technology, or more than 6 percent of the expenditures budgeted for public health in 1985.

Expenditures for wages in budgeted activities total more than 1.8 billion pesos; if we reduced these expenditures by 1 percent, we would have 18 million pesos, which is 23 percent of the wages budgeted for science and technology or 5 percent of the wages budgeted for public health in 1985.

If in like fashion we reduced by 1 percent other recurrent expenditures that, as we have pointed out, are basically for goods and services, we would have more than 21 million pesos. This is equivalent to 36 percent of the expenditures for science and technology in 1985, and nearly 8 percent of the total budgeted for public health.

These possibilities for savings could become reality because it has become evident in the different meetings that expenditures do not always correspond to the level of activity of the center in question, to improved care of the patients in a hospital or polyclinic, or to improved training of students at the different educational levels. For this reason it is indispensable to determine which of our current expenditures are not really necessary to maintain the same level of service being given. This is the goal of these meetings and the future work that will be done based on their results and experience. Because, as Comrade Fidel said in the first energy forum: Fortunately, we have advanced extraordinarily in the social, educational, and public health sectors, and are going to continue to advance. Do not say no. Our teachers must get better every year. Every year we will graduate thousands of primary school teachers, thousands of better teachers. We will continue to graduate teachers and improve their quality. But years ago, when there was an explosion of our primary and secondary school populations, we built all the schools the country needed. Now, we must build factories as earlier we built schools. And he [Fidel] continued: And in public health we have made and will continue to make great advances, training more and better specialists, more and even better doctors, perfecting our preventive and therapeutic medicine. We will build essential installations as we need them, but let us also say that today we must think of building factories as earlier we built hospitals. And in doing this, we are not going to sacrifice public health at all. End of quote.

The budget is certainly one of the economic subjects we most talk about or refer to in daily life. Nevertheless, except for those persons whose daily work is related to the budget, we do not normally appreciate the importance of its formulation and analysis and its real impact on the economy. This fact has a series of negative consequences, including the inconsistency of the analyses made of budgeted activities units that cannot resist an elementary evaluation and are permeated by superficiality, false suppositions, and unjustified growth rates that cause greater expenditures the country must pay for to satisfy unfounded needs. It can be affirmed that the unitary norms for expenditures, which in essence provide the level of expenditures that correspond to each activity financed by the budget, are the basic element for drawing up a budget at any level. To explain it in another way: How much must be spent per child for nursery school? What is the average cost of medicines per patient in a general hospital? How much is spent per scholarship student in a basic secondary school? These are simple examples of what norms for expenditures are. Nevertheless, the analyses made at party meetings clearly show us there are diverse norms for the same activity in Cuba, and these different norms are not always justified.

There are sectors such as sports and administration, among others, of which the budgeted expenditures are not generally based on unitary norms for expenditures; expenditures are based either on growth rates, or new activities or events are budgeted separately and specific amounts approved that are drawn from the national reserves. This makes it impossible to regulate and maintain the proportionality required by the planned economy, which causes the great variations and growth rates that we occasionally observe from one year to the next. In similar fashion, the existing ignorance, the lack of control, lack of up-to-date statistical information, failure to keep track of materials and keep accurate books, and hasty measures sometimes taken in notifying organs and organizations of their respective budgets result in the inconsistency of the budgeted amounts, which affects economic and financial demands and discipline.

It must be added that the present methods of evaluating results tend to result in the total expenditure of budgeted amounts, especially as regards those activities that still do not have unitary norms for expenditures, for which reason the amount budgeted for later periods depends to a certain degree on expenditures made in earlier years. It is necessary to eradicate methods such as this as fast as possible because they only help distort our economy and breed a mentality of spending more in order to ask for more.

The directors of our economy, our workers, our technicians must advance and understand more clearly their responsibilities in the administration and use of the resources assigned for different services financed by the budget. These resources come basically from the wealth created by workers in the production sector; that is, they are created by agriculture, industry, and construction, to mention a few, and are redistributed by the state to meet in great part the needs of the entire population. This is why it is important to administer and strictly control their proper use; to achieve this, budgeted activities must be under the control of workers, including naturally party and Union of Young Communists members, who feel the need to act in defense of the resources made available to them to perform a service or carry out research.

Budgeted activities are very varied. Each sector has different characteristics and is related to a different aspect of the life of the people. This makes it more difficult to establish an indicator which will generally indicate a level of efficiency for the different activities. In consequence, a greater effort is required of the organs of the people's government and state organizations to determine the kind, location, and magnitude of existing reserves.

What methods must be used at the grass roots level to uncover them? What steps must be taken and at what moment, bearing in mind the fact that the basic, fundamental goal is greater efficiency, which translates into greater benefits for the working people?

Our economic efficiency meetings on budgeted activities have, without doubt, helped party organizations to focus their attention on the basic questions affecting the use of human, material, and financial resources. They have constituted a great school of economics for grass-roots members and have revealed how much more can be done with our present resources, in accordance with the demands that economic and social development place on our people and our present possibilities. For the party member, this means a raising of consciousness and knowledge of economic problems which will permit him to make proper use of the control functions that are his duty to use, and an increase in the demands that party members holding administrative posts at any level make upon themselves.

It is important that control functions be carried out properly, not only by the party but by all workers in a unit, each cognizant of his own responsibility. Control functions should contribute to forming the economic awareness of the workers, who should consider themselves the real masters of the means and resources the country places in their hands. In this sense, the process carried out has strengthened and made it possible to attempt to solve problems in a unitary fashion at the grass-roots level, which has made it possible for our economic horizon to widen at the grass-roots level, especially party members. The seriousness, critical and self-critical spirit, and constructive nature of our meetings can be affirmed. At meetings, the party members showed their initiative in solving the problems discussed; the absence of attempts to justify past errors and avoiding responsibility in issues debated was general.

It is important to stress that most of the suggestions presented solutions based on the places of employment, which does not exonerate higher level administrators from replying convincingly and clearly to matters within their areas of responsibility.

This meeting is taking place at a moment of crucial importance for our economy, in a world that, as has been explained again and again, suffers the effects of the capitalist crisis with the consequences for underdeveloped nations of growing national debts, improverishment, hunger, and dependence on the metropolis, a world in which the prices of imports of underdeveloped nations multiply year after year while those which export their meager resources struggle against protectionist policies used as weapons in an attempt to subjugate the peoples and obtain advantageous concessions to exploit their resources.

In the case of Cuba, we are not in this desolate, uncertain situation. We are a socialist country, where the law of hunger does not reign, where there are no crises and we do not depend on developed capitalist countries. The fraternal aid we receive from the socialist camp, and principally from the USSR, has made it possible for us to create propitious conditions for economic and social development. Nevertheless, we are not exempted from suffering to some degree the evils affecting capitalist society, especially as regards the trade relations we must maintain with them. An example of this is the price of what is our principal export, sugar, the price of which has been depressed by the great monopoly interests to the lowest levels of the present century. This fact has made it necessary for us to readjust the 1985 plan and achieve greater production efficiency, conserve our resources, extract greater yields from each gram of raw materials, and be more efficient than ever before.

This is applicable also to social activities that receive their resources from the budget. We must put new work styles and methods into practice which will make administrative functions and the use of resources more efficient. We are not going to stop growth or stop surpassing the levels already achieved, but starting this year our future efforts will have to be based principally on the resources we save, so our slogan should be: "With greater saving, greater growth, save to grow, and grow if we have consistently saved." This is the formula we should apply from now on.

We must create and develop full consciousness that resources are limited, because our country has scant resources. We must place more emphasis on their rational use, on their efficient use. And, in the same way that we have objectively proposed becoming a world medical power, we must undertake the task of becoming a model of economic rationality, based on efficiency with which we manage to use our human, material, and financial resources.

The profitability meeting we held last year and this meeting on economic efficiency in budgeted activities have been important factors for beginning this great struggle that promises a flourishing, optimistic future for work. Throughout this process, innumerable important problems have become manifest, but those we want to stress are the following: irrational use of the work force; excessive work force and liberality in determining work force size and recruiting, joined with organizing problems and a lack of work discipline; the assignment of budgeted resources not always based on technically determined consumption norms, which provokes waste and squandering of material resources; localized ignorance of the amount assigned by the budget with knowledge limited to the administrative unit, making it impossible for the workers to act rationally; carelessness in the use, conservation, maintenance, and repair of the means [of production], added to the low quality of the latter, which causes premature breakdowns, even prior to being placed in production; failure to maintain up-to-date records and little or no use of these records by administrative heads, used to spending whatever they need; deeply rooted habits of giving away or not charging for determined services rendered, thus decreasing the amounts earned; failure to demand quality services, which irritates the people, squanders resources, and leads to improper salary payments to persons performing the services.

Although there are different shades and peculiarities resulting from the specific conditions of each work center, municipality, province, or activity, which have provided a wealth of suggestions and problems to solve, it seems to us that the questions that have been asked have summarized the gist of the reports that have been presented. What is even more important, they give a clear idea of how much remains to be done in the struggle for conservation and efficiency in this people's economic war, as Fidel called it, which we recently undertook with the firm conviction that it would be one of the most beautiful battles that our people will wage in their firm determination to build a better society, a socialist society.

In the first place, we now have optimum conditions to wage this battle, because of the level already attained by our social services. Social service costs per person, according to the 1984 budget, amounted to 276 pesos and 77 centavos per year, which is about 26 percent of all estimated revenue per capita. In other words, expenditure on social services for the people constituted slightly more than 3 months worth of per capita income in 1984.

In a capitalist society, in which a charge is made for these services -- and not just for the cost, a profit is added to the cost and these services are developed not to fulfill the need of the society, but to obtain a profit for the capitalists -- the people's ability to obtain goods and services from the commercial network is diminished by the same amount they had to pay for those social services.

In the second place, the economic knowledge we are gathering will allow us to give an adequate response to the requirements that the strategies for the economic development of our country demand of all of us. We will hold this year the third party congress. All the people will have the opportunity to participate in the discussion of the party program which will deal with the great objectives to be achieved in political, economic, and social matters for the purpose of advancing socialism in our country.

At the congress, the economic and social outlines will be drawn for the next 5-year period. Also the future evolution of the system we will use to manage and plan the economy will be examined.

The assembly process, which began with the assessment meeting of grass-roots organizations, is a favorable standard for reflection and for the planning of tasks to carry out the party's work in the areas decided upon. We will have to confront them all.

It is indispensable that the grass-roots organizations and the intermediate-level party organizations discuss these questions in detail and adopt the appropriate measures to solve the problems which they are facing in every work center, unit, office, province, or ministry and which impede the progress of the economy as a whole.

The trade union and mass organizations, the Union of Young Communists, social and student organizations, must also analyze and educate their members about the principles of the political economy that have been decided upon by the high-level leadership of the party and the government.

In this economic war of all the people, the role of relevant importance falls to the administration and control of the resources placed at the disposal of the units they manage. The role of the managers is to have the main initiative in the efficient management of resources, their rational use, and in the application of measures that ensure that the best use be made of them.

That is their main and unavoidable function. For that reason, they occupy their posts and we are sure they will respond with austerity, with revolutionary spirit, with realism and with intelligence to achieve these objectives. The revolutionary prestige of each one of us, our ability as cadres, our commitment to Fidel, and to the revolution are being tested. Let us be savings-conscious and we will be better revolutionaries. Let us be more revolutionary and we will be more savings-conscious.

We must measure our dedication to the revolution by the capacity and willingness that we demonstrate to save, to do more with less, using all the intelligence and experience accumulated in these 25 years of revolution, because as Fidel said in the statement that is the theme of this event: We cannot call ourselves total revolutionaries until we are totally savings-conscious.

Thank you very much.

EDUCATIONAL COOPERATION PROGRAM PLANNED WITH GUYANA

FL152034 Havana Domestic Service in Spanish 1900 GMT 15 Jan 85

[Text] Malcolm Parris, Guyana's minister of education has said: We are going to reach an agreement with Cuba to create a foreign language institute in Guyana.

Parris said this on the occasion of the 10th anniversary of the beginning of the economic, scientific, and technical cooperation between Cuba and Guyana.

The Guyanese minister of education is going to send mathematics teachers from his country to work in basic secondary schools in the Isle of Youth, especially with English-speaking students. Malcolm Parris said that after studying the academic program, they will introduce concepts and courses with new points of view, which will contribute to improving the ideologic content of his country's education.

PRESIDENT, ECONOMIC TEAM DRAFT IMF LETTER

FL162353 Santo Domingo Radio Comercial Network 2130 GMT 16 Jan 85

[Text] The president and members of the economic team today met for over 3 hours at the National Palace. It was said they were drafting a new letter the government will submit to the IMF. The meeting, chaired by Dr Salvador Jorge Blanco and his wife Asela Mera de Jorge, was held behind closed doors. The officials who have met with IMF delegations in the country and in Washington participated in the meeting.

Reporters asked Hugo Miguel (Currie), governor of the Central Bank; Guillermo Rivera, Dominican representative to the World Bank; engineer Jose Michelen; and Lic Hatuey de Camps about the meeting but none of them wanted to give details. The officials interviewed said the meeting was held to review measures, others jokingly said it was to ask for leave with pay, and others simply did not respond. The Secretary of the Presidency Hatuey de Camps said he was not the right person to make statements on the matter. The members of the economic team and the head of state have met several times during the week as the deadline given to the country by the IMF for the new agreement gets closer.

GASOLINE PRICE HIKE TO TRIGGER TRUCKERS STRIKE

FL181306 Bonaire Trans World Radio in English 1230 GMT 18 Jan 85

[Text] In the Dominican Republic truck drivers have announced they will go on strike automatically if gasoline prices are raised. Government sources said President Salvador Jorge Blanco will announce increases in the price of gasoline today. The increases are part of the conditions set by the International Monetary Fund for signing a one year stand-by agreement to free part of a 5-year, 459 million dollar loan.

Military authorities reiterated they will not allow public disorder following a meeting between President Jorge Blanco and the Armed Forces and police. Increases in the price of basic food items last April triggered 3 days of riots that left 54 dead and 200 wounded.

DISTRICT ATTORNEY ON CRIME WAVE, PREVENTION

FL161712 Santo Domingo Radio Comercial Network in Spanish 1600 GMT 16 Jan 85

[Text] The national district attorney this morning expressed concern over the wave of robberies during the last few days. Attorney Alfredo (Valcaser) Vega said that he hoped the criminals would be seriously punished. At the same time he emphasized the preventive work by the national police. He said increased patrolling in the city and the interior will bring an end to this situation, or at least reduce criminal activities to a minimum. He said he hoped that this would be effective and that criminals who persist in disturbing public peace would be brought to justice.

(Valcaser) Vega made these statements on being questioned by reporters from various media, who interviewed him in his office in the Palace of Justice in Santo Domingo. He said the police had started heavy patrolling, trying to provide greater security for the citizens, who should not be concerned by these preventive measures.

BARBADOSFRG ENVOY ORDERS INVESTIGATION OF FREIGHTER

PA172250 Paris AFP in Spanish 0007 GMT 17 Jan 85

[Text] Georgetown, Guyana, 16 Jan (AFP) -- The FRG's ambassador to Trinidad and Tobago [also ambassador to Barbados] has reportedly ordered a thorough investigation into the freighter that arrived in Barbados with, according to its German captain, 250 tons of military weapons and explosives, an unofficial source reported here today. According to the captain, the ship, which left Spain with arms for the Governments of Colombia and Peru, was to have first docked in Venezuela. However, it was forced to stop in Barbados because of mechanical failures. The freighter's German crew insists that the vessel is not transporting arms or ammunition to Nicaragua.

JAMAICACALM REPORTEDLY RETURNING AFTER DEMONSTRATIONS

FL171654 Bridgetown CANA in English 1638 GMT 17 Jan 85

[By Paget Defreitas]

[Text] Kingston, Jamaica, Jan 17, CANA -- Life in Jamaica was slowly returning to normal today following two days of demonstrations triggered by petrol price increases. In the capital, Kingston, barricades that had blocked most roads were being removed following a get-tough order to the security forces by Prime Minister Edward Seaga. Firefighters were tending to blackened debris left from the bonfires that had blazed for two days, as well as broken glass strewn over the streets. However, public transport was still absent and thousands of commuters were walking to work. The turnout at several business places was reported to be low and many companies remained closed.

The official death toll was put at four -- one person died yesterday from injuries sustained on Tuesday -- with 10 injured. Police arrested five people for looting.

Seaga told a news conference late yesterday that the price hikes of an average 20 per cent could not be rolled back until the country's economic health is at a point where the foreign exchange position improves sufficiently. Repeating his charge that the protests were organised by his political opponents, Seaga ruled out early general elections -- being demanded by the opposition People's National Party (PNP) -- saying they would not be held until required. Elections are constitutionally due in four years time.

But the main opposition People's National Party (PNP) said it would formally launch its election campaign now with a mass political meeting in the tourist resort city of Montego Bay on Sunday. The PNP boycotted a snap election in December 1983, because the voters list was not up-to-date, and anti-fraud procedures were incomplete. These have now been rectified. Seaga, whose Jamaica Labour Party (JLP) has all the seats in the House of Representatives, said the opposition had by its own volition wasted an opportunity to participate in the last election.

The prime minister, reversing an earlier policy of leniency with demonstrators, told the security forces to pull down barricades. At the same time he issued a call for an end to the protests, echoing similar statements from PNP leader Michael Manley and the chairman of the Workers Party of Jamaica (WPJ), Dr Trevor Munroe. Seaga claimed there were plans for sabotage, including the blowing up of bridges.

However, his opponents contend that the gas price hike, said by the government to be the result of the falling value of the local currency, was the last straw for burdened Jamaicans who have had to endure rocketing prices and stiff austerity over the past 15 months under an International Monetary Fund (IMF) economic recovery programme. Under a U.S. 150 million dollar IMF stand-by facility, Seaga has sharply devalued the Jamaica dollar, cut subsidies, and dismissed thousands of public sector workers, as well as held down wages. Manley said demonstrations reflected more deep seated discontent and frustration with the management (of the country's) affairs by the Seaga regime.

The government has been at pains to stress that there was no rioting or large scale violence. Pedestrians were able to negotiate road blocks with few problems. The deaths and injuries resulted mainly from skirmishes between the security forces and demonstrators. In one case, a businessman reportedly shot and killed a protestor during an altercation after his car was stopped at a road block. The businessman was injured. Some looting was reported in the capital, but it was not widespread.

Meanwhile, tourism officials were busy assessing the impact of the protests on the vital industry. Seaga said that from this end, the impact had been minimal to the 12,000 tourists on the island. Only 11 had cancelled their vacations. Visitors, he said, had been able to move about freely in resort areas. Industry officials said there have been cancellations from North America, but could give no figures.

Jamaica police shot and killed three looters last night but denied the incident had anything to do with disruptive demonstrations that almost shut down the island during the last two days. At the same time, a statement from the Police Information Centre (PIC) pushed the number of protest-related killings to five, following the death of one man overnight. The statement said the man, Thomas Reid, died from injuries sustained Tuesday during an exchange of gunfire between police and protestors. The PIC quoted the police high command as saying the three men killed were criminal elements who broke into a supermarket in the capital, Kingston.

Police yesterday reported five arrests for looting during the demonstrations. The number of people injured has been put at 17.

The demonstrations were triggered by increases averaging 20 per cent in the prices of gasoline and other imported petroleum products. Life was returning to normal around the country today but there were reports of sporadic trouble.

NETHERLANDS ANTILLES

TOURISM EXPECTED TO BOLSTER ARUBAN ECONOMY

FL151700 Bridgetown CANA in English 1601 GMT 15 Jan 85

[By Paget Defreitas]

[Text] Kingston, Jamaica, Jan 15, CANA -- The tiny Dutch West Indian island of Aruba, which in a year's time breaks away from the Federation of the Netherlands Antilles, is already facing an ominous economic storm cloud -- the impending closure in March of the Exxon oil refinery that provides the island with a third of its revenues. But officials in Amuay, the capital of the 192 square kilometre island of 65,000 people, say they do not fear the political experiment, which is essentially the start of a 10-year trek to full independence, and are optimistic about the future of their economy in the medium to long term.

We are not afraid, said Efraim de Kort, Aruba's commissioner of tourism -- the industry expected to take up the economic slack that will be left by oil refining. We do expect problems, but not too serious problems, he added. And we will overcome the problems in the medium to long term.

Despite the apparent confidence, the Exxon pull out could not come at a worse time for the Arubans, for a serious economic stumble now will cast a shadow over their political move, possibly raise chants of we told you so from its federation partners, and again raise the questions pertaining to the balkanisation of the Caribbean and the viability of ministates.

De Kort sees a parallel between Aruba's withdrawal from the Netherlands Antilles group and the break up of the Federation of British West Indian Territories in 1962, with the total collapse of their four-year experiment. Yes, there is a point in the argument that there are too many ministates in the Caribbean, he told CANA. But there are many thoughts that the failure of the Federation of the British Caribbean Islands was because they were forced together. In the same way, he said, there was an unnatural Federation of the Dutch Antilles. In the long run, the Caribbean will realise that we have to be together, but (we) should not be forced together, he said.

In the meantime, Aruba will have the task of maintaining itself economically, conscious that the closure of the 440,000 barrels per day (BPD) Exxon refinery will mean a loss of between U.S. 100 million dollars and U.S. 150 million dollars a year, or about 55 per cent of the country's total revenues.

The refinery, which has been operating at about half its capacity, handles Venezuela's heavier crude. Last October, Exxon told the Arubans that Caracas had said it could no longer supply at a preferential rate the 1,180,000 BPD. Exxon said without the preferential treatment the plant was uneconomic.

Arubans are concerned for the multiplier effect on their small economy of the closure of the refinery. With the loss of oil refining, government officials on the island say they will go full steam forward into tourism, and next January they will get to host the Caribbean Hotel Association's annual marketplace which brings together hundreds of buyers and sellers of the regions tourism product. Aruba Tourist Board officials hope that the Bazaar will help to give their industry a major boost at a critical juncture.

In 1984 the island received an estimated 310,000 visitors, eight per cent more than the previous year. Earnings were estimated at U.S. 150 million dollars, 25 million dollars higher than in 1981. Tourism provides direct employment for 5,500 persons, or 25 per cent of the labour force. The refinery hired 950, but many of them were engineers and technicians who could be difficult to absorb in the service industry. But officials say that most are guaranteed 19 months pay from their employers when the refinery closes, which will help provide a cushion, and the more skilled who will not find jobs at home could be expected to emigrate.

We have estimated that we can neutralise the effect of the closing of the refinery by adding 2,000 luxury-type hotel rooms, Tourism Commissioner De Kort said. With 2,300 rooms available now, he said, there was an enormous shortage.

Two months ago, the Aruban Government called in all its tourist officials representatives from related agencies and the private sector to discuss the problems.

According to officials, it is expected that between 70 and 80 per cent of the new rooms would be built in four to five years. The building of these rooms would require an investment of about a billion dollars, officials say. But according to De Kort, estimates so far show that 1,500 of the new rooms could be provided without a new project having to start. Many existing properties have expansion plans that would take care of those.

Another U.S.-Canadian concern had recently announced plans for another 450-room project to add to its existing property on the island. However, officials do caution that not all announced projects will materialise, though they remain optimistic that they will come out close to projections.

The Arubans are also looking to off-shore banking as a revenue spinner. It is an area we are definitely looking to develop, Dr Kort said.

But the question is which party will lead Aruba into its new political status and face the challenge of the new economic times. Most political observers say it will be the political Movement of the People (MEP) of Betico Croes, which now has 12 seats in the 21-seat local legislature. Croes is expected to be the first prime minister. But his party will first have to receive the mandate in elections expected in September or October.

The MEP, however, will be facing challenges from Benny Nisbet's Patriotic Party of Aruba (PPA) and Henry Eman's Aruban People's Party, both of which has three seats in the Assembly. There are also three Independents in Parliament.

1985 BUDGET EXPECTED TO CONTINUE AUSTERITY PROGRAM

FL151938 Bridgetown CANA in English 1916 GMT 15 Jan 85

[Text] Georgetown, Guyana, Jan 15, CANA -- Guyanese, no strangers to austerity, were today reflecting on what new taxation the government will unveil in the 1985 budget on Friday. Already there is speculation that motor vehicle and drivers licences will be increased as sales of these have stopped without explanation.

Finance Minister Carl Greenidge will outline to the National Assembly government's plans for income and expenditure for the new year. This will be the second time that Greenidge will be presenting a budget since joining the cabinet of President Forbes Burnham.

The 1984 budget disclosed a public external debt at more than G2.625 million dollars which when it was presented last January was equivalent to U.S. 700 million dollars.

With the economy still in poor shape, the government is expected to continue a programme of austerity.

CONSUMPTION TAXES INCREASED BY 5 TO 900 PERCENT

FL151520 Bonaire Trans World Radio in English 1130 GMT 15 Jan 85

[Text] Guyana's Government has increased consumption taxes by anywhere from 5 to 900 percent on a wide variety of items. A resolution published in the most recent issue of the government's official publication increased the tax on cement from \$0.65 to \$6.75, and the tax on a liter of kerosene goes up from .375 cents to 2.5 cents. The tax on clothing went up from 20 percent to 40 percent, and tools and tires are among the goods taxed an additional 25 percent.

COOPERATION TALKS WITH CUBA TO BEGIN 16 JAN

FL112354 Bridgetown CANA in English 2144 GMT 11 Jan 85

[Text] Georgetown, Guyana, Jan 11, CANA -- The 10th session of the Guyana-Cuba Joint Commission opens here on January 16 with discussions centering on economic, scientific, technical, education and cultural co-operation, as well as a barter-line of credit agreement between the two nations, the government said today.

A recent offer by Cuba to assist in the setting up of a factory to produce motor car batteries is also to be examined at the meeting.

The 17-member Cuban team arrives hours before the talks are to start and will be met by a delegation headed by Guyana's minister of health and public welfare, Richard Van West Charles, who is co-chairman of the commission.

During the visit, the Cuban team, led by Marcos Lage, Havana's health minister [as received], will pay courtesy calls on Prime Minister Desmond Hoyte and Foreign Minister Rashleigh Jackson.

The Cuban delegation includes Jesus Formoso, director of international relations; Ramiro Rodriguez, head of the Cultural Department, Ministry of Foreign Affairs; Angel Moye, an officer of (?Banco) Nacional de Cuba; and Miguel Alvarez, a Cuban technical officer.

INTER-AMERICAN AFFAIRSEEC COUNTRIES REITERATE SUPPORT FOR CONTADORA

PA151920 Panama City Televisora Nacional in Spanish 0000 GMT 15 Jan 85

[Text] The 10 EEC members have reiterated their support for the Contadora Group's efforts to achieve a peaceful settlement of the conflicts in Central America.

A note delivered to the foreign ministers of Colombia, Mexico, Panama, and Venezuela by Giorgio Peca, Italian ambassador to our country, states that on the occasion of the second anniversary of the founding of the Contadora Group the 10 members of the EEC, loyal to the declaration of the European summit conference held in Stuttgart on 17 June 1983 and in line with the spirit of the ministerial conference of San Jose, salute the efforts of the group and reiterate their support to the four Contadora countries in the search for a peaceful settlement of conflicts in Central America.

PARAGUAYSTROESSNER VISITS BRAZIL, SENDS MESSAGE TO NEVES

PY180146 Asuncion ULTIMA HORA in Spanish 17 Jan 85 p 13

[Text] President General Alfredo Stroessner this morning traveled to Brazil aboard an Electra C airplane of the Paraguayan Airlines [LAP]. Gen Stroessner was accompanied by a small entourage.

According to information obtained by ULTIMA HORA, "the purpose of the president's trip is to inspect" the port areas on the South Atlantic coast, mainly the port of Paranagua. However, there has not yet been any official report on the exact purpose of the president's trip nor on the names of the members of his entourage.

Nevertheless, it has been learned from sources close to the government that the head of state will inspect the installations of the Paraguayan Navigation and Ports Administration in Paranagua, which is the main port through which Paraguay imports and exports goods.

According to our sources, Gen Stroessner and his small entourage will also take a "brief rest" and the head of state will reportedly go fishing.

The head of state and his entourage are reportedly due back in Asuncion on Sunday. Reportedly, the LAP plane landed at Curitiba airport from where the head of state traveled by car to Paranagua. After inspecting the port, the president will reportedly go to Guaratuba. It must be recalled that Gen Stroessner visited Guaratuba recently to take official delivery of the ocean vessel General Bernardino Caballero.

Gen Stroessner has sent a message to the newly-elected Brazilian president, Dr Tancredo Neves, which reads: "I take honor in conveying to my honorable friend on behalf of the people and Government of Paraguay my warmest congratulations on your election as president of the sister Republic of Brazil by the Electoral College. I harbor the hope that our nations will continue to follow the path of cooperation and understanding in order to continue to be an example of Latin American brotherhood. Expressing my best wishes for personal success, I cordially convey to you my affection and friendship."

URUGUAYSANGUINETTI INVITES BRAZIL'S NEVES TO INAUGURATION

PY161600 Madrid EFE in Spanish 0009 GMT 16 Jan 85

[Text] Montevideo, 15 Jan (EFE) -- Uruguayan President-elect Julio Maria Sanguinetti today congratulated Brazilian President-elect Tancredo Neves and officially invited him to travel to Montevideo with his wife on 1 March to attend the inauguration of the democratic administration. In a telegram sent to Brasilia, Sanguinetti states: I have learned with deep satisfaction the wonderful news of your election as the president of the Federative Republic of Brazil, an event that constitutes another milestone on the road to democratization that our continent is traveling today. Sanguinetti adds: I wish to take the opportunity of such a happy circumstance not only to convey to you my most wholehearted congratulations, as well as my best wishes for success in your tenure as president of the Republic, but also to invite you, along with your wife, to attend my inauguration. In his message to Tancredo Neves, Sanguinetti emphasizes: I am certain that Your Excellency will significantly contribute to the enhancement of the inauguration ceremony, and we will have the opportunity to exchange views and opinions that will make possible the close cooperation and understanding that must necessarily prevail between our countries.

Invites Nicaragua's Ortega

PY161800 Montevideo Radio El Espectador Network in Spanish 1600 GMT 16 Jan 85

[Excerpt] Dr Julio Maria Sanguinetti has just sent a telegram greeting Commander Daniel Ortega, who has recently taken office as Nicaraguan president. The message conveyed by the Uruguayan president-elect includes an invitation for Daniel Ortega to attend his inauguration scheduled to take place on 1 March.

VENEZUELAMORALES ON POPE'S MEDIATION IN AREA CONFLICT

PA150326 Caracas Radio Rumbos Network in Spanish 2100 GMT 14 Jan 85

[Text] Venezuelan Foreign Minister Isidro Morales Paul has said that no offer to mediate a controversy should be discarded. He was referring to the pope's offer to mediate in the Central American conflict. Morales Paul said that the Vatican's success in solving the Beagle Channel problem is of great importance. He added that such mediation could be used in the difficult conflict of Latin America.

The foreign minister said at a press conference that the pope's intervention would in no way mean that the Contadora Group's peace efforts had failed. He pointed out that the Central American conflict has deep roots and that Contadora can do no more than it has already.

BRIEFS

DEPUTY DEVELOPMENT MINISTER -- Development Minister Hector Hurtado announced yesterday the appointment of Omar Cadenas as the new deputy development minister replacing Hector Meneses who resigned to devote his time to private activities.

[Excerpt] [Caracas EL UNIVERSAL in Spanish 3 Jan 85 p 1-1 PA]